THE OREGON BANK ROBBERY CRISIS: FINDING NEW LAW ENFORCEMENT STRATEGIES

HEARING

BEFORE THE

SUBCOMMITTEE ON REGULATION, BUSINESS OPPORTUNITIES, AND ENERGY

OF THE

COMMITTEE ON SMALL BUSINESS HOUSE OF REPRESENTATIVES

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THE OREGON BANK ROBBERY CRISIS: FINDING NEW LAW ENFORCEMENT STRATEGIES

THURSDAY, MARCH 30, 1989

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON REGULATION,
BUSINESS OPPORTUNITIES, AND ENERGY,
COMMITTEE ON SMALL BUSINESS,
Portland, OR.

The subcommittee met, pursuant to notice, at 9:45 a.m., in the Glisan Room, Jantzen Beach Red Lion Inn, Portland, OR, Hon. Ron Wyden (chairman of the subcommittee) presiding.

Chairman WYDEN. Today, the Subcommittee on Regulation, Business Opportunities, and Energy convenes to examine the causes of the Oregon bank robbery crisis, the impact that this crisis has on the Oregon financial community, and explore law enforcement strategies that will deal an effective blow to the escalating bank robbery rate.

A bank robbery can be a truly terrifying experience. If you're facing the barrel end of a gun, you can't be sure you'll ever make it home to see your husband, or your wife, and your kids. In effect, you're a victim, and you're a victim even if no one ever pulls the trigger, because you're totally at the mercy, and in the power, of a stranger.

If you do make it through alive, you'll have flashbacks and psychological fears for months, if not years, because the robber who threatened to snuff your life out is still there, in your unconscious, ready to take your money and all you hold dear.

So, bank robbery, like rape or house burglary, can be one of the most frightening crimes. Sad to say, according to the most recent FBI statistics, Oregon is now the Nation's leader in bank robberies. Most of these robberies occur in the Portland metropolitan area, in which the Portland police bureau estimates an average of one bank robbery per day. In just over a decade, the Oregon bank robbery rate has soared from 59 robberies in 1976 to 363 robberies in 1988.

Tellers who have experienced a bank robbery report the same symptoms as the victims of a physical assault. After a robbery occurs, victims report feelings that suggest an emotional roller coaster of fear the robber may return for retribution, concern that they may have done something wrong, difficulty in making decisions, and anxiety about their role in the criminal justice system, and many of them give serious thoughts to resigning altogether.

It is not unusual for victims and witnesses of bank robberies to go through a grieving process from 3 to 12 months following the incident.

Bank robbery arrest records indicate that Oregon's skyrocketing increase is yet another symptom of our State's struggle against the influx of illegal drugs. Over 95 percent of the bank robbers arrested are known drug abusers. With an average take of $2,000 per bank robbery, more and more addicts are perpetrating this crime to support their heavy drug habits.

Aside form the actual money lost in bank robberies, Oregon financial institutions are spending hundreds of thousands of dollars to try to protect themselves against bank robberies. The security measures used in Oregon primarily consist of bait money, exploding dye packs, alarms, and camera surveillance systems.

The subcommittee is going to hear testimony about the additional security measures currently under consideration by the financial community. These additional protections, including the installation of bulletproof glass, extensive use of uniformed guards, and electronic tracking devices surreptitiously slipped inside stacks of money, are obviously very expensive and may be simply out of reach for the smaller financial institutions.

But these businesses can ill afford not to consider improving security precautions as the risk of physical harm at the hands of bank robbers continues to rise in Oregon. The FBI will testify today that the obvious use of weapons in connection with this crime is on the increase in Portland. This trend is expected to continue in the form of more violent bank takeovers involving the taking of hostages and robbery of multiple teller windows and the vault.

The understandable stress and trauma experienced by tellers pose other hidden costs of the bank robbery crisis, costs that are not only measured in monetary terms, but in human terms as well.

Today, the subcommittee will hear the testimony of tellers and other bank employees who have experienced this trauma first hand, Federal and local law enforcement experts and security officials from the financial community who are grappling with this problem. Our subcommittee welcomes the witnesses.

Our first panel will be Ms. Marlena Lee, operations assistant, U.S. Bank of Oregon, Ms. Kristin Grady, teller, First Interstate Bank of Oregon, Ms. Kelly Brady, teller, Multnomah County Employees Credit Union, and Mr. Robert Burns, manager, Multnomah County Employees Credit Union. We welcome all of you today.

It is the practice of our subcommittee to swear all the witnesses that come before us. Do any of you have any objection to being sworn as a witness today?

Ms. LEE. No.

Ms. GRADY. No.

Ms. BRADY. No.

Mr. BURNS. No.

Chairman WYDEN. Please rise and raise your right hands.

[Witnesses sworn.]

Chairman WYDEN. Thank you for your cooperation. I'm going to make your prepared remarks a part of our hearing record in their entirety, and, in the interest of time, I ask you to summarize in 5

minutes the principal concerns that are on your mind. That will allow us some time for questions.

Why don't we begin with you, Ms. Lee. Welcome.

TESTIMONY OF MARLENA LEE, OPERATIONS ASSISTANT, U.S. BANK OF OREGON

Ms. LEE. Hi. Thank you. I wanted to say that I've been in about five robberies. I've actually only been robbed once. That was the last robbery we had, and I can honestly say that I don't want to experience it again. The way I felt was that I wasn't in control of myself.

I kind of left—like Kelly's statement—I left my body and watched it perform. He did come in with a gun, and he put it to each one of our heads. He got first one teller, then myself, and he got our vault teller and another teller.

We have a very experienced teller who has been used to it. She gave him her dye pack and so did another teller. So, I'm hoping something can get done. Another thing is that it's just too hard to experience it when you don't—our bank does a lot of extensive training, but it doesn't prepare you for someone barging in your branch, sticking a gun to your head, pushing your customers out of the way, and just having to give someone everything that you are trying to keep. You want your money.

You give him everything that he asks for, but still, afterward, you just feel so mad that someone has done this to you. The next few days I was at home. I didn't think about it that night. I had to answer FBI questions and that was fairly easy. It wasn't until later on that evening that I actually felt that, wow, someone has really done this to me, and I don't like it, and it takes a while to get used to it.

I know at home I felt a little bit uneasy. I keep my doors locked at all times. I set my alarms, and it was just something that I never had to experience before. Now I'm jumpy when someone maybe yells loud outside the branch and comes in talking loud. I get kind of jumpy. So, that's about it.

[Ms. Lee's statement may be found in the appendix.]

Chairman WYDEN. We thank you, and we'll have some questions in a couple of minutes. Ms. Grady.

TESTIMONY OF KRISTIN GRADY, TELLER, FIRST INTERSTATE BANK OF OREGON

Ms. GRADY. I've only been involved in one bank robbery and that was last week. The gentleman came in screaming, yelling, and waving a gun around. He went to a lot of the tellers, up and down the row, but he primarily stayed in my section.

He put the gun to my head, and raised the gun, and shot it into the ceiling. At the time, it was like I was the only person. It was just me and the robber. It was really difficult. I was numb. I didn't feel anything at the time the robbery was happening. I wanted the gun away from me, and I just wanted him out of the branch. After he fired the shot, my operations officer shoved us under the counter, and then I don't know what happened after that.

After the robbery, after he was gone, I just fell apart. I answered questions for the FBI and everybody. Everybody was really supportive, and that really helped, the support from the police, and the FBI, and our security people. That night I didn't sleep, and I didn't want to work. I didn't ever want to come to work again. I still feel that way. Every morning it's a really big effort to come back into the branch because I'm afraid somebody else is going to do this, and I'm afraid somebody's going to be killed.

I feel abused and used. I'm really very angry at how many robberies we have and how easy it is for them to come into the bank and abuse us this way.

Chairman WYDEN. Thank you very much, and let me also thank you for your courage in coming today. I know that you were robbed just a few days ago. I just appreciate your coming because the fact that you would give us this kind of account gives us some of the ammunition we need, so that at the end of this hearing we can recommend some steps to reduce the likelihood that you and your associates face this kind of victimization. We thank you and admire your courage.

Ms. Brady.

TESTIMONY OF KELLY BRADY, TELLER, MULTNOMAH COUNTY EMPLOYEES CREDIT UNION

Ms. BRADY. I have been involved in two robberies. I was a teller for 2 years. The first one, he came up and threw a note at me and my initial reaction was to not believe what was happening. I just took out my money—it wasn't anything I was thinking of. It's just that you go through so much training that what you do is just automatic. You don't really think about it. You just do what they tell you to do.

I handed him my money, and one of the gals was standing next to me, and, because it was late in the day, she thought I was getting ready to balance. I had the money in my hand, and she asked me if I wanted her to help him, because she wasn't aware that I was being robbed. I looked at her and said no, I have it under control, so she turned and walked into the vault.

Well, at that point, I think I just felt lonely because the one person that I thought would know what was going on didn't know anything. So, I just handed him my money, and he ran out the door past Bob, who was watering plants in the foyer, and then I was numb. I think that's normal. I think the thing that upset me the most about the first robbery is that he got a 20-year suspended sentence.

So, basically, that was a slap in the face. I thought, OK, I'm going to be more prepared for the next one if it ever happens again. Well, it did. The first robber never spoke to me. He didn't say anything. The second robber told me that if I didn't give him all my money, he would blow my head off.

So, I forced myself, even though you're not supposed to do this, I forced myself not to look at him because I wanted to stay in control this time. I shut my drawer a little bit so that he could not see my dye pack which we had implemented since the last robbery, and I had to decide whether I felt safe enough in giving him my dye

pack. The war in my mind seemed to go on for 5 minutes. I thought, give it to him, don't give it to him, give it to him, and I finally decided that I would give it to him.

I had to inconspicuously sandwich it in between my money, and all the time he's getting more and more frustrated, but the people in the back of the office knew what was happening, and they were already on the ball trying to get the law enforcement people there and everything. I just handed him my money, and he smiled, and thanked me, and ran out the door.

At first I was terrified because I had given him my dye pack, and I went upstairs to Bob's office, and I was so scared that he was going to come back in, because Bob had run after him, and he pulled the gun on Bob. We all backed back in the office, and I went upstairs, and I regretted giving it to him because I thought he was going to get mad and come back in and kill me.

The police got there and reassured me, and so the dye pack was the reason he was caught. So, I am really glad that I did give it to him, and this one didn't get away with it. He was sentenced. I don't think I'll ever get over any of them.

I still have nightmares once in a while, afraid that when he gets out if he would remember that I gave him the dye pack, come back looking for me or whatever. I just hope something can be done soon, because it's getting bad.

[Ms. Kelly's statement may be found in the appendix.]

Chairman WYDEN. Thank you. I'm going to hold off on most of my questions. One that comes to mind: Your sense, then, is that some of the bank employees are afraid to give out the dye packs, one of the major ways to deal with this problem, simply because they fear that, if they do, the robber is coming back after them?

Ms. BRADY. Right.

Chairman WYDEN. He's going to kill them and hurt them.

Ms. BRADY. Yes; because if they're so mad, you don't know what they're going to do. If it makes them mad enough to come back in and to want revenge on you. But, like the police officer told me, most of them are just in such a hurry that they're not even going to care. They're going to throw the money down and just run. They're not going to risk going back into the institution.

Chairman WYDEN. Thank you very much. Mr. Burns.

TESTIMONY OF ROBERT BURNS, MANAGER, MULTCO EMPLOYEES' CREDIT UNION

Mr. BURNS. Count me here. I'm tangled up in technology. After the testimony of these three people, I'm not sure what I can say. I'm Bob Burns and the manager of Multco Credit Union. To put our organization in perspective, we are middle sized in the credit union context but, of course, very, very small for banks. We have one branch.

We've been robbed a total of six times in the last 30 months. Two of the robberies have been violent. From an accountant's point of view, the money loss is virtually nothing—less than $700 each, the reason being we have very low cash limits. Our tellers are, hopefully, well trained in reducing the losses. So, money is not the object that we have the problem.

I think the object of this whole situation here—you've already heard already—we have almost all of the techno junk installed in our small credit union—the cameras, the VCR cameras, the 35 mm, the dye packs, the till traps. We are, in fact, at this point considering going behind bullet resistant glass which I would call the SDI of protection, and I say SDI not necessarily in effectiveness, but in cost, because it's going to be extremely expensive for a credit union our size to give our people that kind of protection.

Let me elaborate a little bit on the toll of the six incidents, including the two that Kelly was involved with. By the way, the one that did her last was on parole for murder when he did us.

The elapsed time of generally around 30, 40, maybe 50 seconds, is all these things happen. Four of them have been straight notes. In two of them, there's been a gun displayed. All have been single person robberies, all young men, all with records, and all have done bank robberies before. Five were Caucasian and one, African-American. In all cases, they've been caught, convicted, and in five of the cases, they are doing substantial jail time.

I don't think the real crime is against Multco Credit Union, or U.S. National, or First. It's against people that you have here. I've been a victim teller myself, and I perhaps would like to show you about a 40-second film of an incident. It was our last incident, and let me see if I can get this thing to operate. OK. Ouija Board. Go. There.

[Film is shown.]

Mr. BURNS. We have a three-camera set up. That is why you'll see the flashing back and forth and this is continuous, 24-hour film that we have. We'd like to have you notice, in a few seconds, the staff and how they will react to this person walking in the parking lot. We are so sensitized to suspicious people. In a few moments you'll see their heads bend out the window. Excuse me. There he is now.

He's in. He's waiting in line for a few minutes, and this is a voice 911, if we can.

"Police: 911. Police, fire, and medical.

"Teller: Hi. This is—we've got somebody here we're not real happy with right now. Can you hear me?

"Police: Yes; I can. You're at 41st?

"Teller: 41.

"Police: What's the guy doing?

"Teller: Just looking around because nobody's waiting on him right now, and I don't want to be looking up.

"Police: OK. Is he a black male or a white male?

"Teller: Black.

"Police: How tall?

"Teller: My manager's talking to him right now. I would say 6 foot. He's in a plaid shirt. With a hat on—a black hat—brown and gray.

"Police: OK. Hold on for just a second."

Mr. BURNS. He is not robbing us yet. We don't positively know.

"Police: Do you think this guy is——

"Teller: It's going down right now. He's got the manager's hands up.

"Police: He's a Black male, about 6 foot?

"Teller: Uh huh.
"Police: He's tall.
"Teller: Very thin.
"Police: What color shirt or jacket is he wearing?
"Teller: Blue plaid shirt. Oh, God. He's gotten—now. He's got the gun. I got to get off the phone.
"Police: OK. We'll be there."

Mr. BURNS. This is all he did to all three tellers. In that case I was a victim teller because I took the robbery, and we die packed him. He got out and down, dropped the money a couple of hundred yards—maybe 50 yards away from the office. He escaped just barely, because we had—with the alertness of the staff, we were able to give the law enforcement some head start because we were calling before he was actually doing the robbery.

Annoyed at his lack of profit from our credit union, 2 hours later he went down and did another one in the same fashion. He got away with $6,500.

We come by this suspicion that we have very honestly, having been robbed as many times. We're mistrustful. It's an unfortunate byproduct of this.

Our credit union has started a counseling program for the tellers and everybody involved in it. We do have counselors available. They can go in without even asking us and receive the counseling that they may need.

Putting it on a personal basis as a manager of a credit union that's been robbed six times, I view our chance of being robbed the seventh time as 100 percent. There is no question in my mind we will be done again. We just hope it goes well and not badly.

Bank robbery is a manifestation of a lot of other social problems. I'm not going to put them in order. Obviously you'll hear them yet this afternoon, drugs, whatever, but we, Multco Credit Union, certainly want to go back to being a credit union again and not be robbery experts. That is what we are now.

Thank you. I'd like to respond to any questions you may have.

[Mr. Burns' statement, with attachments, may be found in the appendix.]

Chairman WYDEN. Thank you. Thank you all very much. I just have a few questions.

Now, it seems to me that in about half of the instances that you all have described, there is no question that the robber actually had a weapon. Is that right? That was the case, I know, with you, Ms. Grady——

Ms. GRADY. Yes.

Chairman WYDEN (continuing). And with you, I believe, Ms. Brady. Is that right?

Ms. BRADY. Yes.

Chairman WYDEN. I wasn't sure if that was the case with you, Ms. Lee.

Ms. LEE. The last one. Yes; he did present a gun and point it to each one of us.

Chairman WYDEN. So, for the three of you, there was actually a weapon, and, in your case, Mr. Burns, I think you said four out of six.

Mr. BURNS. In two out of six there were weapons displayed.

Chairman WYDEN. Right, and obviously it's a great fear to someone under any of these scenarios, but I think it's important to have on the record the number of instances where a weapon was actually used.

Now, are there guards in your facilities?

Ms. LEE. We did not have a guard at the time. We do have one now. We got one that following Monday.

Chairman WYDEN. So, there was not one in your facility at the time, Ms. Lee. Was there a guard in your facility, Ms. Grady?

Ms. GRADY. No; there wasn't, and there is not now.

Chairman WYDEN. Ms. Brady.

Ms. BRADY. No; there wasn't, and there is not now.

Mr. BURNS. A guard is extremely expensive. You end up renting them, as it were. We're talking $10 an hour. For a facility our size, we flat cannot afford a full-time guard, although I did have one in for several weeks after this last incident, just as a little show of force.

Chairman WYDEN. Again, it's so helpful to be able to hear from those on the front lines, because you do, of course, bring the most important perspective. Is it your view, having gone through these traumatic experiences, that if there were guards and the guards were armed, that would make a difference? Ms. Lee.

Ms. LEE. I think it might be a deterrence. I don't know exactly. I don't know if they see anything when they walk in that branch. I don't know. A guard is over in a corner, and he has complete view of the branch, but when these men walk in or burst in, I don't know if they would see a guard. They're waving that gun around. They're screaming. They look just almost as scared as we are, and I really don't know if they'd see one.

Chairman WYDEN. Ms. Grady.

Ms. GRADY. I agree with her that, if the guard is in the branch, and the robber walks in the door, he's committed to do what he has come to do. I know we have been talking about guards outside of the branch in the parking lot, just in T-shirts, just walking around, just to let people know that we do have guards, and I think that would be a deterrent.

But, then again, they're just going to go rob somebody else.

Chairman WYDEN. Someone who might not have a guard in the parking lot or a guard in the building.

Ms. GRADY. That's right.

Chairman WYDEN. Ms. Brady.

Ms. BRADY. I don't really think a guard is all that neat of an idea. Like she said, if they're committed, and if they have a weapon, and the weapon is pointed at a teller, the guard isn't going to be able to do anything, and it might just antagonize the robber, and it might create a hostage situation.

A guard in the parking lot maybe is not a bad idea because at that point, the robber hasn't even entered the building yet, has no hostages, or anything, so——

Mr. BURNS. We would not have an armed guard at all. What you're doing is you're putting two guns in the same room mixed with adrenalin and drugs. It would be a recipe for disaster. The rule on these things, as far as we're concerned, is you want to

make them quick, easy, and fast. I mean you want them out the door, and an armed guard would be counter productive.

An unarmed uniform, small show of force perhaps. Not an armed guard.

Chairman WYDEN. One other question—again because of your unique perspective. Oregon has the dubious distinction of leading the country in this area. It isn't so much in the way of crime and drug activity. What is your sense about why that's the case? Is it just drug related? Is it simply a question of drugs and bank robberies go hand-in-hand? Or are there other considerations that are relevant?

Ms. LEE. I just know what I've heard about the drug situation in Portland. I've heard that 90 something percent of the bank robberies are due to drugs. I couldn't really say for sure. The men that do come in to us don't look like normal, everyday people. They are in a hurry. They are very nervous. They could very well be on drugs. I don't know.

Can I just say something about a guard real quick. Since we have gotten the guard, I know it puts us at a real ease. The tellers feel a lot better on having a guard than if we didn't have a guard, and I think it does a lot for our feelings of security. Even if they're not armed, there's still someone there. We're an all-female branch and with having a man there, we do feel a little bit more secure having a guard. So, I do think it does help a little bit for us.

Chairman WYDEN. I guess we have some problems with that microphone. That one that is right in front of you, Ms. Grady, is the one we're all going to have to speak from. So, let's pass it. Give us what you might see as the reason. Drugs are everywhere, and yet we seem to be at the top in terms of bank robberies. Is it just a question of drugs and robberies going hand-in-hand, or is there more to it, Ms. Grady?

Ms. GRADY. I don't really know. I think that drugs have a lot to do with the bank robberies, because people are really desperate, and it is fairly easy to rob a bank.

Chairman WYDEN. Easy compared to other institutions?

Ms. GRADY. I think that the perception is—I get this from friends who don't know anything about banking—that a bank has more money than a 7-Eleven. 7-Eleven's don't ever have any cash, so, that's why they pick banks. I don't really know why we have the highest.

Chairman WYDEN. Anything our other witnesses would like to add on this point?

Ms. BRADY. I think that drugs are the major part of it. I think if we could control the drug problem, I think that the bank robbery problem would decrease dramatically. That's my opinion.

Mr. BURNS. Drugs are definitely the common denominator, but I suspect it goes much larger than that. None of these fellows are first-time offenders when they come in to do us. I'm sure they all went through grade school and high school of crime doing car crunches and whatever it takes to do.

You can start looking at no jail space in Multnomah County. You can look at a revolving prison system where we don't have enough jails. You can look at our parole and probation problem that we have. In fact, I've heard one person try to blame the bank robbery

problem in Oregon on our former chief of police in Portland. I mean, there's probably a sliver of truth in everything, and none of them are true. It's a complicated social program.

Congressman, if I might, I would like to acknowledge the voice that you heard on that tape. The one making the phone call during that very traumatic time is Carol Helvey back here. She's the one who very coolly sat through that whole robbery and did that call at 911.

Chairman WYDEN. She brought new meaning to the notion of being cool. Very, very impressive.

One other point for you, Mr. Burns. The first robber was given a suspended sentence, I gather?

Mr. BURNS. Not the first one, but one of them was a young man—it wasn't his first bank robbery—deeply involved in cocaine, and somehow he sort of got himself out of it. He was probably the least violent of the six. He was not a career criminal at that point. Almost all the other ones have been serious career criminals with huge records. Like I say, the fellow that did Kelly was on parole for murder. The fellow who did me, God knows how many years he spent in and out.

Chairman WYDEN. On the other point, all of you, as well as the new tellers, were given security training in dye packs.

Let me again thank you. I'd have more questions if we had more time, but you all have been very kind. Special commendation to you, Ms. Grady, for coming so soon after such a traumatic incident, and this subcommittee is going to gather the evidence, and then I'll look at every possible way to have the Federal Government and private sector beef up our fight against this, because this is not what we want Oregon to be known for. We've got so many good things to be known for, and we don't want to go into the history books as leading the league in bank robberies.

I thank you.

Mr. BURNS. Thank you very much for your interest.

Chairman WYDEN. Our next panel, Mr. Charles Turner, U.S. attorney, Oregon district, and Mr. Dan Coulson, special agent in charge, FBI, Oregon district.

Mr. TURNER. Good morning, Mr. Chairman.

Chairman WYDEN. We welcome you, Mr. Turner. You are always a welcome guest to this subcommittee and your efforts to deal with law enforcement. Thank you very much for your help in this matter.

Mr. Coulson, we don't have a chance to meet with you as often, but we're very pleased that you're hear as well. Thank you also for your cooperation.

Mr. COULSON. Thank you.

Chairman WYDEN. I know Mr. Turner's aware of it, but it is the practice of our subcommittee to swear all the witnesses. Do either of you have any objections?

Mr. COULSON. No.

Mr. TURNER. No, sir.

Chairman WYDEN. Please rise and raise your right hands.

[Witnesses sworn.]

Chairman WYDEN. Gentlemen, we'll make your prepared remarks a part of the record in their entirety. If you could perhaps

summarize your principal concerns and highlight the things that are most important, we'll have some time for some questions. Let us begin with you, Mr. Turner.

TESTIMONY OF CHARLES H. TURNER, U.S. ATTORNEY, OREGON DISTRICT

Mr. TURNER. Thank you, Mr. Chairman. To summarize my prepared remarks, I traced the history of the bank robbery problem in Oregon and relate it directly to drug abuse and the absence of adequate jail and prison space. I would be pleased to read a portion of my remarks which illustrate what I have just indicated to the chairman, and that is, if you will notice on page three of my remarks, I have given an example of a typical bank robbery case in Oregon in which a man was convicted in Multnomah County of two charges of robbery and single charges of theft and malicious mischief.

He was sent to the Oregon penal system. Well, first of all I want to note that he was placed on probation which I attribute to the absence of adequate jail space. But after a violation of the terms of his probation, he then was sent to the Oregon State Correctional Institution where, by his comments to the sentencing judge, he served only 28 days when he was placed on furlough.

This man was a long-time and confirmed narcotics addict. Thereafter, and while on furlough, he committed two bank robberies, and so he wound up by being a client of Mr. Coulson's and mine. That is an example of the kind of robber that we see in our office on a regular basis, day after day after day. I think Mr. Coulson has another example, perhaps even more dramatic than the one I have just given you.

I would be glad to read selected portions of my testimony or to simply answer any questions that you might have.

Chairman WYDEN. I know I was struck, Mr. Turner, by that colloquy between the court and Mr. Aims on page three. I think that would be helpful. Maybe you might want to touch on that.

Mr. TURNER. Thank you, Mr. Chairman. I think this illustrates what we have been talking about, not only myself and Mr. Coulson, but also the previous witnesses, and that can be read in the transcript which is set out in my testimony at pages 3 and 4.

Chairman WYDEN. So much for deterrence. Anything else that you would like to add, Mr. Turner?

Mr. TURNER. Well, I think I've summarized my remarks, Mr. Chairman, but I would be pleased to answer any questions that you might have.

[Mr. Turner's statement, with attachments, may be found in the appendix.]

Chairman WYDEN. That is helpful, and we'll have some questions in just a moment. Again, my thanks for your assistance on this and many other matters which we have talked about.

Mr. Coulson. We welcome you.

TESTIMONY OF DANNY O. COULSON, SPECIAL AGENT IN CHARGE, FBI, OREGON DISTRICT

Mr. COULSON. Thank you. I was very pleased to hear that you were coming out here because we've sort of been a voice in the wilderness out here screaming about the crime problem. It's nice to see that the Congress of the United States is taking an interest in what the real problem is here.

I said in my statement that the bank robbery problem is merely a barometer of the crime problem in the State of Oregon. I think that's an accurate way of characterizing it. We have a tremendous problem here that's driven by several factors, and you've heard them before, and I'll just briefly go over them again. Virtually everyone that we arrest for bank robbery is a substance abuse individual, a person who is robbing a bank in order to obtain money to buy drugs.

The day after Thanksgiving, I was out in the car with my assistant, Mr. Matthews. We had a couple of our agents who were on the track of a bank robbery that had just occurred that morning, and we joined in the pursuit. We've tracked the man from the bank robbery to a place where he bought heroin, right to his residence, and when we arrested him, he had a needle stuck in his arm. He was addicted to heroin.

We've heard some testimony this morning, very disturbing testimony. It was very emotional for me to hear this young lady talk about a man who had robbed the bank there and had fired a shot during the course of the robbery. It's interesting that a week prior to that robbery, my supervisor of the bank robbery squad, Mr. Kenneth Loven, had come to me to talk about this individual and the fact that we observed him in several robberies to become more and more agitated and more and more violent.

Our bank robbery squad put a big press on trying to locate this man with the Portland Police Bureau and other officers that we work with. When I came back this last week from a trip to Phoenix, I found out that, in fact, this robbery had occurred. It should be interesting to you that we have now arrested that individual and at the time of his arrest, he attempted to shoot one of my agents.

A very violent struggle ensued, and he was subdued with great force by numerous agents, trying to reach for a weapon. I think you should also know that this individual—I can't give you a lot of details because he will go to trial soon, but I think there's some interesting things about him—has 15 prior convictions in the State of Oregon. He was sentenced on those 15 convictions to 75 years in jail and served approximately 5 in sporadic amounts.

I have here his wrap sheet. If you want to talk about deterrence, there's not a lot.

You asked some questions of us by your letter. I'd like to just respond briefly to those. One of those is, how do we work with local law enforcement here? I can say that since I've been here in August, I've found no better police officers than we have right here in the State of Oregon. We work very closely together. Local police is of the highest quality. They are profession-

al. They work very hard, and they cooperate beautifully. That is not any kind of a problem.

The problem here is that we don't have a place to put the prisoners in the State system, and we have a tremendous big problem with drugs, and that's kind of like the bottom line.

[Mr. Coulson's statement may be found in the appendix.]

Chairman WYDEN. Mr. Coulson, do you have anything else you want to add?

Mr. COULSON. No; that's all.

Chairman WYDEN. I thought you were done. Let me start with you, Mr. Turner. My top priority in the Congress this session is to get additional Federal resources in the law enforcement area, and we're able to get, as you know, some additional prosecutors.

My sense, though, is that the increase in crime is still far in excess of the increase in resources. Is that correct, and are we still falling further and further behind in the effort to get enough resources to deal with this growing increase?

Mr. TURNER. Mr. Chairman. I think your observation is correct, but it's correct as it relates to the drug problem. In terms of robberies, as I indicated in my remarks to you, we have adequate resources to deal with the robbery problem in our office, even and notwithstanding the rapidly escalating numbers.

In terms of the drug problem, it is out of control, and we can't even begin to address it, nor can investigative agencies assigned to that task.

Chairman WYDEN. With respect to the tools that you can use, can the Career Criminal Statute be used? Has that been of some use in this area?

Mr. TURNER. Yes, Mr. Chairman; we have adequate tools in terms of the various Federal statutes. I don't think we need additional statutes to address the robbery and related firearms problem. The sanctions are more than adequate.

Chairman WYDEN. With respect to Oregon's situation again being what appears to be so unique, are there special factors in our State that suggest additional reasons why these problems take place? For example, is the aspect of branch banking a factor in Oregon in your opinion?

There have been some who have said it is, and others who have said it's not. I'm of the view that we ought to be trying to solicit expert opinion on it. I'd be curious whether you think Oregon's branch banks are a factor in this problem that perhaps there's a convenience element which, of course, we all want, but that there is relationship between that and security problems.

Mr. TURNER. I think you have correctly assessed the situation. I think branch banking always is a factor. The more branches you have, the more convenient it is to rob small, isolated institutions and especially in the tricountry area. In States that do not have branch banking, where the only branch is the central branch, I think you will note that your robbery rate is considerably reduced.

There are other factors which I might want to indicate. Number one is that, as an aspect of the drug problem, we are a drug producing State. That is something that so many people in our State simply do not know or refuse to accept. But we are a major drug

producing State which substantially enhances the number of robberies we experience.

In 1988, over one quarter of all the methamphetamine laboratories in the United States were recovered here in Oregon, and that statistic is actually rather low because, if you will note, the crime statistics memorandum attached to my remarks, I believe there were a total of 80 methamphetamine laboratories in Clackamas and Multnomah Counties, but you will notice that Washington County had no methamphetamine laboratories that were recovered.

Obviously, that's an aberration and is simply a result of inadequate resources to address the problem. So, the number that we record is considerably less than the actual number, and it suggests that the problem is considerably greater. Methamphetamine, in my estimation, is the single greatest drug problem in this State.

Second, we are producing an enormous amount of domestic marijuana, high grade marijuana, which they say is some of the finest produced in the world. It's produced right here in Oregon. Law enforcement authorities and those who believe they know place us number three in the Nation in that regard, although High Times, who was more closely aligned with the marijuana growers, place us number one. So, you can take your pick one way or the other.

Now, in addition to that, as Michael Franke, the late director of corrections used to say, Oregon's a place to do crime because if you do crime here, you aren't going to do the time. As both Mr. Coulson and I have noted in our remarks, less than 40 days is spent in jail for class C felons and, as a matter of fact, for violent felons, as I indicated by Mr. Aimes.

So, those factors combine in my estimation to enhance our robbery rate.

Chairman WYDEN. Your recommendations then, put at the top, more prison space, essentially, at the State level, and Federal resources when we can get them, and more emphasis on fighting drugs. Both will have an enormous impact on bank robberies.

Mr. TURNER. Well, Mr. Chairman, we have to have an adequate deterrent. Penal sanctions are of little force and effect if time and pull bear no relationship to time served. So, we have to reestablish the deterrent effect in Oregon, and I am deeply appreciative of the efforts of the Governor in that regard. That is number one.

Number two is, I believe, additional resources are necessary, both prosecutorial and investigative, as they relate to drugs and drug trafficking. As I indicated, I think our resources are adequate to address the escalating numbers of robbers.

Drugs are a different story. Large drug cartels are operating in this State. We simply cannot address them in our office and neither can a number of the investigative agencies assigned to that task. Time and time again, reports come across my desk involving drug cartels in which we have indicted and prosecuted only a small number of the members of the cartel. That permits that organization to continue to live, to regroup, to reestablish, and continue with the same activities.

So, I share your concerns that if we are going to address this problem, we have to have more investigative and prosecutorial resources.

Chairman WYDEN. Is it your view that there is a belief among drug cartels and sophisticated criminal elements that Oregon is an easy mark compared to other parts of the country?

Mr. TURNER. Well, that's what we hear from these people, and I think that's the general feeling among those in law enforcement, that Oregon is a great place to do crime. With the downturn in our economy several years ago, we had a reduction in local law enforcement agencies. District attorneys' offices, city police offices, county sheriffs' offices—only the Oregon State police is a viable law enforcement agency operating with an appropriate complement of people.

I think drug peddlers, drug traffickers, drug cartels are well attuned to the places where you can do drugs, and that's why we see so many methamphetamine laboratories here. That's why we have seen an incidence of professional criminals—motorcycle gangs—the Hessians, the Nuggets, the Hell's Angels—operating in California, have moved their operation up into Oregon.

Chairman WYDEN. One other question. Is there now an ongoing forum or task force or something that pulls together Federal Government, State officials, and financial institutions in the local sector to look at possible new strategies on this bank robbery situation? As you know, we have that career criminal problem, and the task force in general is a real plus or a real asset. Is there any kind of ongoing effort to tie together those principal players in this in an effort to look at new ideas and new strategies?

Mr. TURNER. Mr. Chairman, there is not a task force per se in the bank robbery area, and I recently spoke about that to members of the banking community. Personally, I do not see much merit in the concept of a task force in the area of bank robbery, because it is a reactive crime. We almost never know when it is going to take place, or where it's going to take place, or the name or identity of a robber.

So, task forces are valuable, but they are of limited utility. They can be used in the area of drug cartels where we can target a given organization through the operation of wiretaps, trap and trace devices, pen registers, and so on. I think we can use it in the area of bank fraud, embezzlement, and bank failure. It has been successful there, but in my opinion, in the area of bank robbery being a uniquely reactive crime, it would serve little purpose.

Chairman WYDEN. I thank you. My highest priority for this session is going to be to try to get additional Federal resources. Your office in fighting crime—we had an early win in the beginning of the session with some additional prosecutors, but given what we have heard about deterrents and the lack thereof, it's going to be necessary to do a lot more and particularly in the areas that you focused on—drugs and these drug problems that so obviously feed the bank robbery situation.

Mr. TURNER. Mr. Chairman, let me thank you for your laudable efforts on behalf of law enforcement, and particularly on behalf of our office. We are deeply grateful for your efforts to secure additional attorney support staff resources and for your interest and efforts in legislation, particularly in the area of the armed career criminal act.

Chairman WYDEN. I thank you. We have much to do. We need to build good records and have new ammunition.

Mr. Coulson, just a couple of questions for you. You state that less than 50 percent of bank robbers in Oregon are actually armed with a weapon at the time of the crime. How does the Government know whether the robber is armed at the time?

Mr. COULSON. Based on interview following arrest. Based upon whether or not they display a weapon. That's kind of a guess, frankly. It's very difficult to determine whether or not they really have a weapon. They're going to say, of course, they didn't, because if they have a weapon during the commission of the crime, then they're subject to more penalties. We are estimating, based on what we're seeing—in fact, in many cases we don't recover a gun when we arrest these individuals. It gives some credibility.

Chairman WYDEN. So, what are the ways in which they can actually inflict this kind of pain on people? I guess you can say that you are armed, not having a gun in your hands. You say "I'm armed," and presumably you can waive things under your jacket or something like that. Are those all possibilities?

Mr. COULSON. A combination of those individual ones you mentioned. Also, to display a fake gun, a toy gun, a pellet gun, or a pellet pistol. We arrested an individual a few weeks ago coming out of a bank. We actually caught him in the street, and he had a BB gun that he had displayed during the course of the robbery, and it was obviously the same one he'd displayed in previous robberies.

Chairman WYDEN. Your view is that we're getting some data in terms of the interviews. I think that's helpful, but ultimately we're doing a fair amount of guessing.

Mr. COULSON. Absolutely. That's right.

Chairman WYDEN. Mr. Coulson. You also said the FBI in Portland has noted an increase in the utilization of weapons in bank robberies and that the trend is going to continue. Is that also based on the interviews you've been doing?

Mr. COULSON. I think our experience, too. I worked bank robberies in New York City for almost 10 years, so we have a lot of experience in our office. If you want to get more money, then you use more guns and you change your tactics.

What we're concerned about right now is that we have basically teller robberies. In the future we're concerned we're going to have real true bank robberies where they actually take over the whole institution and use multiple subjects. So, that's a concern. Willie Sutton said, I rob banks because that's where the money is. Well, they need the money and that's where they're going to go, and the more money they get, the better off they're going to be.

Chairman WYDEN. Your office is 75 percent rated successful in investigations leading to the conviction of bank robbers. On testimony, Ms. Brady mentioned that the first robbery she experienced ended up with the robber getting caught, but there was only a 20-year suspended sentence. In your view, is this typical of what's happening to bank robbers?

Mr. COULSON. No; it's not. My experience since I've been here, since August, is that the U.S. Attorney's Office does an excellent job of prosecuting these individuals, and they get significant time, especially with new sentencing guidelines and things that we're

faced with. That's not a problem of the States, of the Federal system, and now we seem to have at least adequate space to put these people. I hope I get a question about assets before we get out of there.

Chairman WYDEN. Assets. Please comment.

Mr. COULSON. If I could comment on that. We have a total of five agents to work drugs in the whole State of Oregon, which is woefully inadequate. Under the drug bill that recently passed that you were instrumental in bringing to fruition for us, the FBI got a total of 43 additional agents for this fiscal year to put on the street. Next year we'll have about 60.

We have 58 field offices. If you break that down with your arithmetic, you'll see that it doesn't have a large impact on what we're doing. The FBI was brought in to the drug business by William French Smith when we were given title 21 jurisdiction to work major networking type of cases, and I can tell you right now that I am only even looking at about 40 percent of the networks that we have identified.

We have an outstanding intelligence base here, and we're only looking at a very small fraction. We're not talking about 40 drug dealers. We're talking about major networks, cartels that involve many, many individuals. The thing the FBI does best is organized crime. We do organized investigations, and that's what the drug problem is here. It's organized, and that's where we should be putting our resources, and, frankly, that's what we're trying to do here.

Chairman WYDEN. I very much appreciate that comment because that's really critical if we're going to get more resources. Frankly, you're in the law enforcement business and not in the politics business, but there are a whole lot of things that we spend on in this country that aren't anywhere near as important as getting you and Mr. Turner the adequate resources. I was just looking through the Federal budget. We're going to spent $100 billion on our share of the defense bill for NATO. $50 billion of our share for the defense bill for the Pacific rim. Now, those countries are creditor nations. We're going out and borrowing money, paying their defense bills, and then we don't have enough money for the FBI and Mr. Turner who needs more prosecutors and more investigators.

Gentlemen, I'm going to pull out all the stops in this budget to see if we can try to look at some of those areas of the budget like NATO and the Pacific rim, which are the two that I bring up, that certainly could take some reductions and pump in some more money. I had not heard those figures that you've given, primarily because they've never been on the public record. They will be very helpful to us.

Mr. COULSON. If there is anything else we can do, feel free to call upon us.

Chairman WYDEN. Yes; there's one other question that I had. At the First Interstate Bank, the branch that's over in Forest Grove, a customer was murdered during the bank robbery and the report said he was 19 years of age. Has that robber been apprehended?

Mr. COULSON. No; at this point he has not.

Chairman WYDEN. Where are we in that particular situation?

Mr. COULSON. Mr. Chairman, I would prefer to speak to you in private about that. I think that would be most helpful to all of us if we spoke off the record about that.

Chairman WYDEN. We'll do as you suggest.

Mr. COULSON. Thank you.

Chairman WYDEN. Gentlemen, thank you, and we'll be working with you in the days ahead.

Mr. COULSON. Thank you.

Mr. TURNER. Thank you, Mr. Chairman.

Chairman WYDEN. Our next panel, Detective Robert Benson, Portland Police Department Robbery Unit and Chief Thomas Lowther, Forest Grove Police Department. Gentlemen, we welcome you to the subcommittee. Thank you for your patience. You've heard our protocol. You have no objection to be sworn today?

Mr. BENSON. No.

Mr. LOWTHER. No.

Chairman WYDEN. Please rise and raise your right hands.

[Witnesses sworn.]

Chairman WYDEN. We'll make your prepared remarks a part of the hearing record in their entirety. If you could take 5 minutes or so and perhaps summarize the principal concerns that would be helpful. We will begin with you, Mr. Benson.

TESTIMONY OF ROBERT D. BENSON, ROBBERY DETECTIVE, PORTLAND POLICE BUREAU

Mr. BENSON. Thank you, Congressman. It's a pleasure to be here, number one, and it's a pleasure to express my personal feelings as both a citizen and a police investigator for the department police bureau.

The bank robbery problem is a little closer to me than others with the bureau in that I work the robbery detail and one of my major functions there is the coordination of the investigation effort with the FBI, the liaison, transmission of intelligence information back and forth, so that our people on the street can effectively work with the agents who conduct the primary investigation.

This label of being the bank robbery capital of the United States is bad, and it's something that none of us here want to live with. I also find through experience that the drug problem appears to be the root of the bank robbery evil. We've seen them both rise at about the same rate. A high percentage of the subjects arrested and interviewed are drug users, heavy drug users, who not only supply their needs and very often others whom they are associated with, friends, girlfriends, et cetera.

This is the motivating factor. This is the drive, to feed the drug habit. The banking industry, credit union, savings and loans, are the only people who have adequate amounts of large cash money readily available that will satisfy the purchasing need for these dope users, narcotics users.

The banking community does employ many measures that assist in the investigation of the bank robbery cases. Their efforts and the efforts of law enforcement are obviously inadequate, are not doing the job. We're not doing our business. Tight budgetary constraints imposed will not allow for additional local enforcement

people to become involved in this problem. They've committed their fullest.

As far as our effectiveness, both the FBI's statistics, 75 percent solve rate, as opposed to a national solve rate within the FBI of 69 percent, shows that they are more effective in the Portland area and Oregon. In the Portland Police Bureau's robbery rate, including bank robbery, we've experienced a 4-year upward trend in robberies, armed and unarmed. This last year, we noted our first down trend. Maybe chance, maybe it's an indicator that we are effective.

Yet the problem is we're not finding a cure. I did personally contact two nearby cities of similar size, Seattle and Las Vegas, both a little larger than Portland, but very close. Neither of these cities experience our problem. In my conversations with law enforcement people, the Seattle investigators indicate, and they attribute the only real difference, they do operate with more law enforcement people, sworn law enforcement people per thousand than Portland.

They function in Seattle with 2.3 sworn officers per thousand. We operate in Portland, 1.6 to 1.7. Considerably lower. If we were to extend the Portland police bureau to that same level that Seattle operates, it would be about 300 additional sworn officers on our streets. This would be over a one-third increase in our bureau strength.

The other thing that we discovered in Seattle was the banking industry makes extensive use of moonlighting, armed police officers as their security people in the high-risk bank branches. Those that don't have such a high risk, most often, use unarmed guards. Extensive use of guards, and they attribute the armed guard to be the difference. A very expensive tool to the banking industry.

In 1983, the banking industry in Las Vegas, NV, a city of 500,000 people, did bring into that community an electronic tracking service. Their trend has been dramatically reduced as far as bank robberies. In 1983, they had, at the time of installation, 111 bank robberies. That dropped and has continued to drop down to where last year they had 34 in that city which is larger than Portland.

We were looking at about 280 in the Portland metropolitan area. Significant difference. The average bank robber is caught within 12 minutes of actually in the door of the bank. Not only is he caught, but he still has the money in his pocket or the bag. He's still wearing the same clothes for easy identification by tellers and subject to prosecution, netting a lot of guilty pleas. So, prosecution is enhanced.

They attribute this to their success in solving the bank robbery problem.

This will end my summary remarks, and I'm prepared to answer any questions you would have, Congressman.

[Mr. Benson's statement may be found in the appendix.]

Chairman WYDEN. We will have some in a moment. That was very helpful, and we appreciate it.

Chief Lowther, we welcome you and appreciate you making your remarks to the record.

TESTIMONY OF THOMAS LOWTHER, CHIEF, FOREST GROVE POLICE DEPARTMENT

Mr. LOWTHER. Thank you. I will address my remarks to the questions in the letter I received.

Within the past 15 years, the city of Forest Grove has experienced three bank robberies. All three robberies occurred at the same bank. The first robbery occurred approximately 6 years ago, and the individual responsible turned himself in to the FBI in Seattle.

The next two bank robberies occurred within a month of each other, the first on October 18, 1988. At this robbery, a lone gunman entered the bank wearing a ski hat and handkerchief around his face. He demanded and received money from a cashier at gunpoint. The subject left through a door, north door in the bank, ran through a public parking lot where he dropped the hat and mask. The Forest Grove police were notified of the robbery by telephone as, at the time, the bank alarm malfunctioned.

The second incident occurred on November 14, less than a month. This time, a 70-year old male customer was having a check cashed, with his wife waiting for him in the parking lot. During this robbery, a lone gunman wearing a devil's mask entered the bank and approached the teller where the customer was cashing his check.

The subject pushed the customer out of his way and pointed a revolver at the teller. The customer observed the mask and thought it was a joke. We were able to determine this. It was indicated in the photographs. He was smiling. He then saw the gun and attempted to pull the mask from the robber. The robber pushed the victim away, held the gun at arm's length and fired one time.

The bullet struck the victim in the left side of the head, exited and struck an elderly female customer who was at the next window. Both victims were taken to a hospital after the robbery.

The subject then began walking toward the door. As he approached the door, he stopped, then with the gun motioned the teller who had moved away from the window back to the teller's window. He then went back to the teller's window and told her to fill up a plastic bag which he was carrying.

He left the bank through the north door, went to an adjoining parking lot where he removed the mask and his jacket, which we recovered.

In both instances, the subject entered and left the bank by the same door. In both instances, he left his disguise in the parking lot next to the bank, and in both instances he went to the same teller, although she was not at the same window.

We do feel that these robberies are connected. Both cases are still under investigation. The FBI, the Forest Grove police, and other local law enforcement jurisdictions have worked jointly in the investigation.

On November 3, several weeks prior to this, the bank removed their holdup security system from the Forest Grove police to the main security office in Portland. On November 14, when the robber entered the bank, the employee set off the alarm which activated

the cameras. The alarm went to the bank security office in Portland.

This office was unable to dial Forest Grove on 911. When they would dial 911, they would get the Portland police department. The security office called the bank and inquired if they were having a problem. The police were notified by a customer who was leaving the bank when the robber entered. The customer stood outside, looking into the bank.

After witnessing the shooting, he ran two and a half blocks to the police station and told the onduty sergeant. At the same time, we received a telephone call on 911 informing us of the robbery.

Officers were on the scene within 30 seconds of being notified. However, by this time the subject was gone.

The Washington County State's Attorney's Office, this agency, and the FBI continue to share the information that we have obtained. There is presently a $20,000 reward for information leading to the arrest and conviction of the subject. This reward was provided by the bank and the Banker's Association of Oregon.

The unusual thing that we felt in looking at our instance, because we did have a homicide, is that maybe we in the law enforcement, or banking industry, were training our personnel. But are we training customers not to get involved? Our crime prevention unit intend to look into maybe educating the public not to get involved.

Finally, the bank in Forest Grove was held up and did not use a dye pack. It is my opinion that, had a dye pack been used, we would at least have had witnesses who would observe the suspect.

Chairman WYDEN. Thank you, chief. We're going to start with you, Mr. Benson. One of the things that seems very distressing is just where we are relative to Seattle. It's my understanding that you've said the Portland rate is much higher than the Seattle rate, and there are a variety of considerations that go into that.

First, you said that Seattle has more people on the street than Portland. Is that correct?

Mr. BENSON. More officers. Yes, sir.

Chairman WYDEN. Did you also say that Seattle does more in terms of using offduty police officers?

Mr. BENSON. The banking community is hiring moonlighting offduty police officers, primarily Seattle police department, and employs them as their security guard. They are armed police officers.

Chairman WYDEN. So, that's the second factor in your judgment in terms of something they're pursuing which could be assisting them in this.

Mr. BENSON. A very expensive venture, by the way.

Chairman WYDEN. Right. Did you discuss this question of bullet proof glass, and I know there has been considerable debate in the financial community on this? Do they use bullet proof glass in Seattle?

Mr. BENSON. Not to the degree that some cities have. I've been advised that one particular city in the United States which did was the city of Detroit, and it caused a dramatic decrease in bank robberies. They spent millions and millions of dollars in the banking community to provide this safety for their people as a prevention for bank robberies.

Mr. COULSON. What do you recommend be done in terms of financial institutions protecting themselves, just from a law enforcement standpoint? The question is based on some standard of cost effectiveness because, clearly, all of this involves trying to make resources stretch. You favor electronic tracking devices.

Mr. BENSON. I find that is one item that is readily available. The cost for coverage for the city of Las Vegas and these other cities, Sacramento, San Francisco, Anchorage, Alaska, Shreveport, LA, and there's a couple of cities in Texas, also including Reno, are employing this system as of a week ago.

Chairman WYDEN. What do they cost?

Mr. BENSON. We had a survey done of Portland with this particular system, and the costing at that time was in the area of $800,000 for the banking community in Portland.

Chairman WYDEN. Let me see if I can break it down per branch. Say $800,000 would be the cost to make sure that all banks, all branches, and everybody in your opinion could do electronic tracking for $800,000?

Mr. BENSON. Yes.

Chairman WYDEN. What would that come to per branch? Do you know?

Mr. BENSON. We pushed that into an individual branch cost. With an average of 6 teller windows protected, each window protected, the cost in the area of $2,000 to $3,000 per month lease fee. With that particular program, as with many of the others, the company also provides a guaranty of money loss which is a portion of the lease fee should a robbery occur and the system not work.

Chairman WYDEN. What would that drive the cost down to? Would it make it $1,500 a month?

Mr. BENSON. Well, theoretically they could have a lease fee of $2,500 and in one robbery lose that amount, and it not be recovered, and the company would insure that amount at least once annually. Most companies that provide these type services, dye packs, have a tight program.

Chairman WYDEN. What's the apprehension rate if you use these kind of systems?

Mr. BENSON. Las Vegas is experiencing a 90-percent arrest rate with 80 percent being arrested within the first 12 months of exiting the bank. With total recovered money in that 80 percent.

Chairman WYDEN. Let's move on to you if we could, chief. Were there any unusual things about the bank security systems in the weeks before the robbery when the murder occurred?

Mr. LOWTHER. Other than the alarm being relocated, nothing.

Chairman WYDEN. How much did you charge First Interstate for monitoring their alarm?

Mr. LOWTHER. $25 a month. I believe we monitor 67 alarms.

Chairman WYDEN. Have you had further discussions with the bank in terms of replacing the alarm?

Mr. LOWTHER. I did several days after the homicide.

Chairman WYDEN. What's been the status of——

Mr. LOWTHER. The alarms are still their main security. I don't believe they'll move them back.

Chairman WYDEN. OK. Is there a false alarm ordinance in Forest Grove?

Mr. LOWTHER. Not at this time. We're conducting a survey now. In fact, it's up at the end of this month, to determine the number of false alarms that we have, which is considerable.

Chairman WYDEN. Just so I know exactly for the record what went on there, First Interstate put the alarm in a private security company. That was in downtown Portland.

Mr. LOWTHER. They put their alarm into their central security. I believe all their branches moved to their main security office, not to a private company.

Chairman WYDEN. Is that far from Forest Grove, though?

Mr. LOWTHER. It's in Portland.

Chairman WYDEN. All right. Gentlemen, we thank you, and this has been very helpful to get your views. We're going to be working with you in the days ahead.

Mr. COULSON. Thank you.

Mr. LOWTHER. Thank you.

Chairman WYDEN. Our next panel, Mr. Ron Schanaker, director of corporate security, Benj. Franklin Savings & Loan, Mr. Douglas Kidder, vice president and manager of security, U.S. Bank of Oregon, and Mr. George Baucom, vice president for security, First Interstate Bank of Oregon.

Gentlemen, we welcome you. We will have to take care of some formalities here by way of swearing you. Do you gentlemen have any objection to being sworn?

Mr. SCHANAKER. No, sir.

Mr. KIDDER. No, sir.

Mr. BAUCOM. No, sir.

Chairman WYDEN. Please rise and raise your right hands.

[Witnesses sworn.]

Chairman WYDEN. We will begin with you, Mr. Schanaker, and, again, we'll make your remarks a part of the record in their entirety. Thank you for the cooperation and the assistance you have given us.

TESTIMONY OF RONALD SCHANAKER, DIRECTOR, CORPORATE SECURITY, BENJ. FRANKLIN FEDERAL SAVINGS & LOAN

Mr. SCHANAKER. There has been a lot said today, and, of course, coming from the private sector, the banking industry, we are greatly concerned about this thing of bank robbery. We are concerned about the lack of prison space. We are deeply concerned about what is driving bank robbers to commit the act that they do.

We believe as the authorities have said—and they should be the ones that should be relied on for this type of information—that this drug problem is the thing that is driving bank robberies.

Not only is the community a victim when a bank robbery occurs, but specifically, as indicated before, the tellers and our customers who are in the institution at the time of the robbery. We're deeply concerned about that. We have expended hundreds of thousands of dollars just in our own institution. We operate branch operations in four western States.

Annually we spend large sums of money. In fact, we are contemplating expending additional funds for the protection of our employees and the customers. One thing that we have just started this

week because of the bank robbery situation is that after each robbery, a professional counselor will be meeting at the branch with all of the employees to go through post robbery trauma training. It just seems like each year we're adding something else to help mitigate this problem.

I hope that the day doesn't come that we have to cement up the windows of our branches and have slots where money is passed in and out. I think that would be an absurdity, and the other side of it is that if drugs are truly driving bank robbers, they're not going to be bank robbers any more, but they're going to be doing more of the mom and the pop, and the 7-Eleven's, and all the other places because the funds are still going to be necessary to satisfy them and their problem.

The banking industry supports totally what our professionals have said today, that we need to do something about this problem in Oregon, the narcotic problem. I guess we're just sort of egging you, Congressman, to help support these individuals with added staff for drug investigative operations, the Governor's anticrime bill that addresses the lack of State prison space, the education programs, the treatment programs, the things that are necessary to help.

We don't want to become a Washington, DC. The way that things are going, it doesn't look very bright if something doesn't get turned around here shortly. I'm hopeful that will happen if you extrapolate out the information that has been presented today by our U.S. attorney. In 10 years I predict that our police officers are going to be walking around with Uzzi submachine guns on, and we're going to have whole blocks of areas of our city that have been taken over by the criminal element.

That is not fair to our citizens, and it's not fair to our police officers who have to work under those conditions. It's also not fair to the private business industry, in which banking is just a small part of that.

So, I guess without repeating what has been said before, I think that is where the savings and loan industry specifically is coming from.

Chairman WYDEN. OK. Thank you. We'll have some questions in just a moment. Mr. Kidder.

TESTIMONY OF DOUGLAS O. KIDDER, VICE PRESIDENT AND MANAGER, SECURITY, U.S. NATIONAL BANK OF OREGON

Mr. KIDDER. I don't think there's a whole lot that I can add from U.S. Bank's standpoint. The robbery rate is a tremendous concern to us. We've noticed a real upsurge in the violent type robberies that have been occurring in the last year or so, and it needs to be stopped.

I won't bore you with some of my thoughts because they've been repeated. They are drug driven without a doubt. These people are not being stopped at the State level. Before they graduate to the Federal crime of robbing a Federal branch or bank, I feel very strongly that something has to be done within the near future, or it's going to be very hard to conduct banking as we know it today.

One of the interesting things within our organization at U.S. Bank, many of the areas are operating on a flat budget, with the exception of the security department. We are in an increase budget for various things such as dye packs, more guards. We are in the process right now of installing bandit barriers in our branches. They will be coming on line within another month.

I didn't think in my career at U.S. Bank that I would ever see that, but the day has come. We've had to take the matter in our own hands. It's a problem that we do not lose a lot of money in, but there are the other problems that occur of the potential violence, the strain on our employees and our customers, too. We need to get it stopped, and I think we need Federal resources—any help you can give us, Congressman—to help us stop this problem.

[Mr. Kidder's statement may be found in the appendix.]

Chairman WYDEN. OK. Thank you. Mr. Baucom, you wrap up the morning.

TESTIMONY OF GEORGE BAUCOM, VICE PRESIDENT FOR SECURITY, FIRST INTERSTATE BANK OF OREGON, AND CHAIRMAN, FINANCIAL INSTITUTIONS SECURITY TASK FORCE

Mr. BAUCOM. OK. Be happy to.

Chairman WYDEN. You're welcome.

Mr. BAUCOM. I appreciate the opportunity to be here, Mr. Chairman.

I wanted to first of all say that the average dollar lost in 361 bank robberies that First Interstate has experienced over the last 10 years has amounted to about $2,400. That includes some rather large take over type robberies, which is somewhat the exception.

A typical one-teller robbery in the State of Oregon for First Interstate Bank, we lose about $1,300. But that's not the only cost that we have to contend with. There are small items, such as the purchase of surveillance film and the processing of that for the photographs for the law enforcement agencies; the nonproductive times of the employees; the nonproductive time or the time required by the security department to respond to that alarm, to monitor those alarms; and the teller turnover rate.

We cannot put a figure to the actual number of tellers that leave the banking institutions because of traumatic situations, but we know that it does occur. We also know that it costs the banking industry somewhere between $7,000 to $10,000 to train a new teller and get that employee up to a full operating level.

Banks have spent a lot of money trying to do what they can to respond to the robbery problem. They have purchased dye packs. They've purchased new alarm equipment. First Interstate has spent over $1 million in the last couple of years upgrading their alarm monitoring capabilities.

There has been additional training seminars, security bulletins, videotapes, and so on. First Interstate Bank spends $60,000 a year in counseling service for employees, and, just like Mr. Schanaker mentioned, when a robbery occurs, a counseling service is there the next day to talk to those people and help them through that situation.

We've been advised that bandit barriers, like Mr. Kidder has pointed out they are going to, are the solution. Sure, U.S. National, First Interstate, and Benj. Franklin can armor plate their branches, but what about the small credit unions like Mr. Burns talked about? What about the small independent banks throughout the State? Can they afford to armor plate that, or are we just merely transferring the problem from the larger institutions to the smaller one? I tend to think that's what happens.

One of the questions you asked Mr. Turner was whether or not there was a task force in the State. I'd like to address that just briefly in that in a sense there is. There is the financial institution security task force for which all financial institutions in the State of Oregon are assessed a fee, and those funds go into a common account which we pay rewards out of. We cooperate through the FBI on this program. Last year we spent almost $94,000 on rewards, training materials, advertising, and so on.

There's been some discussion about whether or not guards are effective. I can tell you that banks with guards do get robbed. A guard is not the only solution. First Interstate will be spending almost $200,000 the remainder of this year on a roving guard force, if you will, to try to target some of our high incident branches to see if we can't quell that problem.

But all these things that we're doing are nothing more than band aids. We're not getting to the real solution of the problem. We can continue spending that money on band aids, but I think we have to go further. If you'll refer to my letter to you, I mention some of those things, and it's been talked about already here this morning. We need to attack the drug problem.

We've had police agencies approach the FIST committee asking us to donate money to their drug and vice investigations unit to buy additional equipment that their budgets do not permit. We have considered those, but that was not the basis for this whole organization, to reward funds to start out with—it was not for that type of thing, so we had to decline that.

But I think that tells you something. If police agencies are going to the business community saying we need money to buy equipment so we can do a better job of investigating these problems, I think we need to unclog the courts and speed up the trial process. I don't know if that means more prosecutors and judges, obviously more jails. I think we need to make sentences stiffer, and I think we need to perhaps take the parole board's prerogative away from them at reducing those sentences.

On Monday, in a meeting with Mr. Turner that he alluded to, we heard that there is a large percentage of Federal lands in the State of Oregon that have been turned over to the drug profiteers. They do not go onto those lands to investigate, to look for drugs, marijuana growing operations. I think that's a sad situation.

Mr. Benson from the Portland police department talked about the high incidence or the high solution rate of bank robberies in Las Vegas with the use of tracking devices and that is true. They've been very successful. But one advantage they have over the Portland police department is that they have a helicopter which is very instrumental in that high solution rate.

There's been some remarks from the chief of Forest Grove about the alarm system. All of us, I think, in this up here now are going to centralize monitoring because we're forced into that in some situations. We have to have a better protection of our facilities out there. We have to be concerned about a lot of other things other than robbery in relation to alarm monitoring and the only way to do that successfully is to bring those into one station, your own man, your own staff station, so that we have complete control of that, and we're not relying on someone else's judgment as to what they should do with that alarm.

But I want to make it clear that the loss of money in the bank robbery is not really our primary concern. Our concern is for the safety of our employees and customers. You heard some excellent testimony from some front line people this morning about how they were traumatized during the robberies, and it's already been mentioned, we lost a customer last fall to a gun-wielding robber.

If you'll look at these photographs and see the expressions on the faces of employees who were behind the scenes, you can see just how fearful that type of a situation is.

So, we want to protect our employees and our customers. We've had employees quit because of a shooting. We've had customers leave us because of the shooting. None of us should be fearful about going to work every day, but as long as these robberies continue, I'm sure we're going to be faced with that.

[Mr. Baucom's statement may be found in the appendix.]

Chairman WYDEN. Very helpful. Let me just ask a few other questions now to wrap it up.

Mr. Turner said that he has reservations about this idea of a task force. I was under the impression that the financial community wanted, if not a task force, something which would, in effect, pull together a comprehensive strategy involving the Federal Government, State government, and private sector, to fight bank robbery in Oregon. Am I incorrect in that?

Mr. TURNER. Well, I think that was brought up, and that was brought up in a FIST meeting, and the reason for that, Congressman, is that we're frustrated. We're not upset at the law enforcement people. We're just frustrated about this whole phenomenon. It was an idea that was brought out.

But the information has been brought back to us because we're not the professionals. The information was brought back to us that this is not the way to go. All we can do is rely on the professionals who would be enacting that type of thing, and we accept that.

Chairman WYDEN. That's helpful to know. There are a variety of ways to facilitate communication, and you don't need to have something called a task force, committees, and all the rest. I appreciate knowing that for the record.

Now, for you Mr. Schanaker and Mr. Kidder, do your banks have victimless systems and teller training programs?

Mr. Baucom, with respect to this situation in Forest Grove, and this tragic robbery, and the very, very sad situation there, as the bank has been reviewing that, is it the bank's view that anything could have been done to prevent this and steps taken now to keep it from happening again?

Mr. BAUCOM. Mr. Chairman, I don't think there's anything you can do short of armor plating the building and not allowing anyone in it to reduce or stop a bank robbery. However, immediately after this second incident occurred, the shooting incident occurred, two unarmed guards were placed in the facility. There was some belief that this guy could come back because there were two robberies within a short period of time and maybe he would come back.

So, the two guards were placed in there and at the request of the branch some months later, that was reduced to one security guard, and that guard is still there.

Chairman WYDEN. As you have reviewed this situation, what has been your assessment of the alarm aspect of it and had the alarm been in Forest Glove, what is your assessment of what would happen?

Mr. BAUCOM. I'm not sure. The only thing I can say is that when the alarm system was changed over, the telephone company reversed a pair of wires on our alarm system when they made their connection. We did not know that was malfunctioning, and it was determined at the second robbery that the system had malfunctioned.

When we did not receive the alarm, we sent a technician to the branch. They researched it, and they said, "Here's the problem. One pair of telephone wires were put on improperly." So, in some respect, I'm sure the bank was a little bit derelict in not testing that it was working properly. However, employees tell me that when this robbery started, they were immediately on the phone to the local police department to tell them this was in progress.

But there is a very serious concern that we in the banking industry have. We want quick response to a bank robbery. But, sometimes that quickness, depending on the jurisdiction, can be detrimental. We do not want a uniformed police officer bursting through the doors with an armed bandit in the branch. That creates a situation much worse.

Some agencies handle that very well through internal procedures. Other agencies, not well.

Chairman WYDEN. Just a couple of others. With respect to this question, extra security measures, it seems to me that the key is really cost effectiveness, and you have to be able to look at something and overall assess whether this is going to be in the interest of the community, your customers, and your institution.

You would not contend that cost-effective security measures are just band aids, would you? I mean, you're saying that overall there is much more that needs to be done but certainly cost-effective security measures are not unwise as we try to deal with them.

Mr. BAUCOM. I would agree with that. I'd also like to clarify that even though we look at the cost effectiveness of the bank aids, I think in today's environment we're not looking at that any longer. We're grasping at straws. That's why we're spending an extra $200,000 to put guards in branch lobbies.

We have a new poster program going that has met with some modicum of success. So, I don't think the bottom line, the cost effectiveness, is really that much of a consideration today. If this problem is turned around where bank robberies are back down to a

reasonably expected level, then we may say wait a minute, now, is it cost effective to do this any longer.

Chairman WYDEN. Gentlemen. What else do you want the local police to do as we try to deal with this matter?

Mr. KIDDER. I personally feel, Congressman, that 92 percent of our robberies for U.S. Bank occur in the tricounty area here in the Portland metropolitan area, but the bulk of those happening in the city limits of Portland—it would make my job easier, make our branches, I think, breathe a sigh of relief if we have more uniformed officers on the street in the city of Portland.

I think the statistic that detective Benson put through about the difference between Seattle and Portland per thousand, the number of officers, that has to help, but we need someplace to put these people who they're arresting. It's over and over. Portland needs more police officers.

Chairman WYDEN. Our other witnesses concur with that?

Mr. BAUCOM. I also think that some discussions are worth being done on this, but the 911 system needs some help. Many times we have had an employee pick up the phone, call 911 to tell them there's a robber in the branch right now, and were put on hold. The last time this occurred, we were on hold for 7 minutes trying to get through the system.

The police want quick reporting. We want quick response. The police want quick response. Ultimately, the only one that comes out the winner is the bank robber.

Chairman WYDEN. Have you all met with the 911 folks?

Mr. SCHANAKER. No.

Mr. KIDDER. No.

Mr. BAUCOM. No.

Chairman WYDEN. Well, let's definitely follow up on that. Let us look to get the financial institutions and the emergency systems in Oregon—and there are different ones in different communities—let's look to move quickly to get them together and see what we can do because that strikes me as a very sensible idea.

Just one other for the record. Do you have any idea of how much your banks are spending overall on security and security systems measures? Let's start with you, Mr. Schanaker.

Mr. SCHANAKER. We're spending in total, about $150,000 a year, just from our institution, for those measures.

Mr. KIDDER. I have an annual budget for implementation of physical security devices that's in the vicinity of about $800,000 a year.

Mr. BAUCOM. My budget's a little over $1 million a year.

Chairman WYDEN. One other question for the record. What exactly does the financial institution security task force do? I know that it's operating in conjunction with the FBI, but based on the frustration that we've heard today all around, it would be interesting to know what they see their role as being in attacking some of these things.

Mr. BAUCOM. The FIST Committee, which was originally called the Reward Committee, was formed in 1976 in concert with the FBI. We were the second organization in the United States to have a reward program for bank robberies. We fashioned it after one on the east coast.

The original intent of this group was to have a reward fund to pay citizens, police informants, whomever, pay them money for information on bank robbers. That has since developed into a much broader area. We still do the reward bit, but we also conduct an annual security seminar in which we invite bankers from all over the State to participate. All three of us and many others are speakers for the banking associations, and we put on regional meetings around the State.

We began a library of videotapes on security items and so on. The intent is to get all financial institutions pulling together toward this common cause. That's why there is an assessment for each office in the State. Like I said earlier, that goes into that fund, and we use it however the membership deems best.

Chairman WYDEN. Gentlemen, let me tell you where I think we're at this point in the State. In one sense, having the financial institutions come last really gives us a chance to look at where we go from here, and, clearly, we've had a number of very sensible kinds of suggestions that we can follow up on. The last point that you made, Mr. Baucom, was something that I think we could move on quickly to tie together financial institutions and emergency systems.

Clearly, we heard testimony today that indicates that we need to get better data because we are guessing to some extent, in the words of Mr. Coulson, exactly who is armed and who may be giving notes. Frankly, we know that we need to plow additional resources into the fight against drugs because it's clear from the last 2 hours of testimony that fighting drugs and fighting bank robberies go hand in hand.

I have some real thoughts about how we got into this situation and just want to set them out for the record. You can comment if you choose, also.

I came to Oregon in 1971 to go to law school, and when I came to the State of Oregon, the definition of a major crime was your neighbor took your lawn mower over night and didn't bring it back until the next morning with a big apology note. That was considered pretty significant criminal mischief in the State of Oregon, 17, 18 years ago.

You left your doors open, and you left your windows open. You didn't hear much about drugs. You didn't hear much about bank robberies. Our chief from Forest Grove said you didn't have many robberies at all 15 years ago, for example, in that part of the State.

It's my view that over the years, and particularly in the early 1980's, we let our guard down in the State of Oregon, the time when criminal activity was on the increase, drug activity was on the increase. We weren't building prisons, and we were cutting budgets, and there weren't enough deputy D.A.'s, and there weren't enough investigators, and there wasn't enough of a deterrent.

Mr. Turner commented on the effect of what that meant because Mr. Turner said something I pick up as I pursue law enforcement issues, that a criminal came to see Oregon as a fairly easy mark. That it was a place where you could do business, where your courts were overloaded, and there weren't enough resources, and you have a pretty good chance to beat the odds.

I'm going to spend a great deal of my time this session, days ahead, trying to change the odds. One of you gentlemen mentioned this outrageous situation where the Federal Government is one of the big drug landlords because up in the forests is the ideal place to run drug operations. They're isolated and rural, and it is an ideal place to have a base. I authored a bill this last session that will give the Forest Service new powers to fight drugs in the forest and to fight drug trafficking that begins in the forest and then moves off Forest Service land.

There's a whole lot more that needs to be done. We've talked today about career criminals. That's certainly a factor. If this gang activity continues at the rate that it's accelerating, we may be faced with that in the context of financial institutions and other areas that we've been touching on this morning. So, there is a great deal to do, and I want to thank you for bringing this issue up.

Your financial institutions and your customers in particular, the reason why this hearing has been held—you've made the case that this really affects the quality of life. It affects the quality of life in Oregon communities. I found it helpful. We're going to get started right away to follow up on some of the suggestions like the emergency systems and some of the points that have been made. I want to thank you for your patience.

We're going to hold the hearing record open, because I think this is such an important matter for our State, for additional testimony and additional news of our witnesses. If you gentlemen would like to add material to what you've submitted today, that will be fine.

We will be back in touch with you shortly as we try to take additional steps to deal with this very real problem, with very sad human consequences. Unless you'd like to add anything further, we'll excuse you at this time.

The subcommittee is adjourned.

[Whereupon, at 11:35 a.m. the subcommittee was adjourned, subject to the call of the Chair.]

APPENDIX

HEARING STATEMENT

THE OREGON BANK ROBBERY CRISIS:
FINDING NEW LAW ENFORCEMENT STRATEGIES

REP. RON WYDEN, CHAIRMAN
SUBCOMMITTEE ON REGULATION, BUSINESS OPPORTUNITIES, AND ENERGY
MARCH 30, 1989
PORTLAND, OREGON

Today, the Subcommittee on Regulation, Business Opportunities and Energy convenes to examine the causes of the Oregon bank robbery crisis, the impact that this crisis has on the Oregon financial community, and explore law enforcement strategies that will deal an effective blow to the escalating bank robbery rate.

A bank robbery can be a truly terrifying experience. If you're facing the barrel end of a gun, you can't be sure you'll ever make it home to see your husband or your wife and your kids. You've become a victim -- even if no one ever pulls the trigger -- because you're totally at the mercy, and in the power, of a stranger.

If you make it through alive, you'll have flashbacks and psychological fears for months -- if not years -- because the robber who threatened to snuff your life out is still there, in your unconscious, ready to take your money and all you hold dear.

So bank robbery, like rape or house burglary, can be one of the most frightening crimes. Sad to say, according to the most recent FBI statistics, Oregon is now the nation's leader in bank robberies. Most of these robberies occur in the Portland metropolitan area, in which the Portland Police Bureau estimates an average of one bank robbery per day. In just over a decade, the Oregon bank robbery rate has soared from 59 robberies in 1976 to 363 robberies in 1988.

Tellers who have experienced a bank robbery report the same symptoms as the victims of physical assault. After a robbery occurs, victims report feelings that suggest an emotional roller coaster of fear of the robber's return for retribution, guilt that they themselves may have done something wrong, difficulty in making decisions, anxiety about their role in the criminal justice system and thoughts of resignation. It is not unusual for victims and witnesses of bank robberies to go through a grieving process a long as 3-12 months following the incident.

Bank robbery arrest records indicate that Oregon's skyrocketing increase is yet another symptom of our state's struggle against the influx of illegal drugs: Over 95 percent of the bank robbers arrested are known drug abusers. With an average take of $2,000 per bank robbery, more and more addicts are perpetrating this crime to support their drug habits.

Aside from the actual money lost in bank robberies, Oregon financial institutions are spending hundreds of thousands of dollars to try to protect themselves against bank robberies. The security measures used in Oregon primarily consist of bait money, exploding dye-packs, alarms and camera surveillance systems.

The subcommittee will hear testimony today about additional security measures currently under consideration by the financial community. These additional protections, including the installation of bullet-proof glass, extensive use of uniformed guards, and electronic tracking devices surreptitiously slipped inside stacks of money, are extremely expensive and may be simply out of reach for smaller financial institutions.

But these businesses can ill-afford not to consider improving security precautions as the risk of physical harm at the hands of bank robbers continues to rise. The FBI will testify today that the obvious use of weapons in connection with this crime is on the increase in Portland. This trend is expected to continue in the form of more violent bank takeovers involving the taking of hostages and robbery of multiple teller windows and the vault.

The understandable stress and trauma experienced by tellers pose other hidden costs of the bank robbery crisis -- costs that are not only measured in monetary terms, but in human terms as well.

Today our subcommittee will hear the testimony of tellers and other bank employees who have experienced this trauma first hand, Federal and local law enforcement experts and security officials from the financial community who are grappling with this problem. I welcome the witnesses, and appreciate their willingness to testify today.

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U.S. BANK

36TH & POWELL BRANCH
3608 S.E. POWELL BOULEVARD
PORTLAND, OREGON 97202

March 26, 1989

Ron Wyden
Lloyd 500 Building
500 Multnomah Blvd.
Suite 250
Portland, OR 97232

Dear Mr. Wyden,

In response to your letter dated March 23, 1989:

The experience of a bank robbery for a teller is frightening, traumatic, and frustrating.
For me, it was like I was in a daze, and not really all there. I did as I was told, and observed what was going on around me.
From observing other tellers being robbed, I can honestly say that it stays with you for a long long time.
You're suspicious of any stranger, you're jumpy, and even now, I have terrible nightmares. Other tellers have also experienced the nightmares.

I personally have experienced 5 robberies, out of the 5 I have been robbed only once.

U.S. Bank has an employee assistance program that employees can call 24 hours a day. Our tellers who have been robbed have the option to go home after they have finished all the interviews with the FBI.
We also have our tellers go through security training quarterly and when they are hired.

Since our robberies, I have noticed a bond between our tellers. Whenever a suspicious looking person enters the branch, there is always someone ready to push their alarm button, or a supervisor steps up to that particular window, to make sure the transaction is normal.

I truly hope that something can be done about the robbery situation in Portland before it gets worse, and more people are hurt both mentally and physically.

Sincerely,

Marlena Lee
Ops. Assistant
U.S. Bank
3th & Powell Branch
3608 SE Powell Blvd.
Portland, OR 97202

Testimony of Kelly Brady
Multco Employees' Credit Union
4110 SE Hawthorne
Portland, Oregon 97214
(503)248-3076

Dear Congressman Wyden:

I was delighted to learn about the Subcommitte Hearing on Oregon's bank robbery problem. Having been a victim myself, I am very concerned about this frightening issue.

My name is Kelly Brady, and I am currently employed at Multco Credit Union as the Loan Clerk. During the two years that I was a teller, I was robbed twice. I assure you, I will never be the same again.

My first robbery occured on a Sunny afternoon. A man approached my window and threw a note at me. I can remember thinking to myself, "How rude". When I unfolded the note and read it, my hair stood on end and I was totally shocked. I felt light headed all of a sudden, and I had a strange "Out of body" experience. All of a sudden I was on the ceiling looking down on the robber and myself. My brain shut off and "Auto Pilot" took over. By "Auto Pilot" I mean that every action I took was without conscious effort. My body did what it was trained to do. All that drill work on robbery paid off in that respect. I pulled my bait money, collected all the cash that was visible to him, handed him the bundle of money and watched him run out the door past Bob who was watering plants in the foyer.

The whole office was in chaos. We called the Police, and I went to Bob's office to try to write down a description of the robber. I could hardley remember anything. It all happened so fast! My description of him wasn't very good, and I was disapointed in myself for not being very observant. I felt worse when the FBI agent started asking me all these detailed questions I couldn't answer. I could tell he was frustrated, but I couldn't remember anything in great detail. After the interview, Bob asked me what I wanted to do. I was exhausted and told him I wanted to go home and go to bed. He let me leave, and when I got home I slept for 5 hours.

It was hard to go back to work the first few days after the robbery. I was so scared He was going to come back. I was so relieved when Bob said that he had been caught. But my relief soon turned to horror. I received a letter from the District Attorney stating that he was **PLEASED** to inform me that my robber got a 20 year suspended sentence. If I were the D.A., I would have been ashamed to have sent such a letter. To me, that was a slap in the face. I am still very angry about that.

After that robbery, I told myself that I would be more prepared for the next one. Well, I was humbled for a second time. A man had walked up to Kristy's window but she was busy working on something, so I told him to come to my window. He looked at me, smiled, and said "give me all your money or I will blow your f------ head off". I was terrified. I looked up and I saw Vicki looking at me anxiously. One look at my pale face and she knew what was happening. She called Bob and told him that I was being robbed.

I tried to remain calm. I slowly pushed my drawer shut a little so that he couldn't see into it. I pulled my bait clip immediately. I started to gather up the cash that was visible, but hesitated when I got to my dye pack which we implemented after the last robbery. Should I give it to him or not. I decided to risk it and sandwiched it between my other cash. Although all this took a split second, it seemed like an eternity to me. He politely thanked me and ran out the door. About that time, Bob ran down stairs, and started after him out the door. The robber pulled a gun on Bob and told him "to get back inside". Bob backed in the Credit Union with his hands up. The robber fled. I was a total mess.

I went upstairs to Bob's office and cried. I was so scared that he was going to come back to kill me (the dye pack had gone off by this time). I regretted giving him the dye pack, but then the Police Officer who responded to the call reassured me. I felt a lot better and hoped that the dye pack would help us to apprehend him. He was caught, and the dye pack was the major reason. Bob said that this one would not get away without a prison term. He was right thank God.

I have to honestly say that I am glad that I am not on Teller Row anymore. I was aware of the robberys last summer when they were in progress. I wrote down descriptions, the whole office did, before the robbers even left the office. I went to a couselor last summer. It really seemed to help deal with the tension and trauma. I never realized that the way to deal with it was to get it out in the open, not sweep it under the carpet. I think a good description of robbery is **MENTAL RAPE.** I feel that there are three main emotions that a person has to deal with.

1. FEAR and PARANOIA-You are scared that they will come back, or that every unknown person that comes into the institution is going to rob you.
2. GUILT-I could have handled the situation better. I could have gotten a better description. I could have prevented this somehow.
3. ANGER-Why me? The robber had no right to violate me like that. I was not in control of the situation. My well-being was jeopardized.

The counselor helped me to deal with my emotions that I had suppressed for so long. I learned that once you deal with it you can go on with your life. Bob was very supportive and that was very important.

When a teller is robbed, they have some decisions to make that can directly affect the safety of the other people in the office. These decisions include whether to pull the bait clip and whether to give the robber a dye pack. The teller has to use his or her judgement. It is important that Management and Authorities respect the decisions that the teller makes. The teller is the only one who can assess the situation. If the teller knows that they are supported in their actions, that will be some sort of comfort. The last thing anyone needs when they are under stress is to be told that "You did this wrong!". After all, the only REAL victims here are the tellers. The money is insured. The primary concern should be obviously to apprehend the thief, but also to help the teller get through the trauma.

Bob and I have tried to get a Teller Support Group formed. It is hard to get the ball rolling though. We did have one breakfast meeting with an attendance of about 7 victim tellers. Everyone who attended said it was a good idea, and talking in a group about the robberys helped. We are still working on this group and we won't give up because we believe in it. The bottom line is, it should be up to the teller how they deal with the stress. After both my robberys I needed to go home and sleep it off. If I would have wanted to go back to work (get back up on the horse) Bob would have let me do that.

I am trying to do everything I can to help. George Baucom is the Chairman for F.I.S.T. and he sends me photographs of bank robbers who have yet to be apprehended. I then send them out to several places (the list is enclosed). We feel that the more exposure these creeps have, the better the chance we have of someone recognizing them.

Thank you very much for your time. I hope there is a light at the end of the tunnel soon.

Kelly

Testimony of Robert Burns
Manager, Multco Employees' Credit Union
4110 SE Hawthrone
Portland, Oregon 97214
(503) 248-3076

Congressman Wyden, my name is Robert Burns and I am the Manger of Multco Employees' Credit Union.

We have an enormous problem, and it is gratifying to know that you, your committee, and the Congress of the United States has undertaken this fact-finding mission.

I will be wearing two hats during my brief testimony---first, as a manager of a medium sized credit union with twelve employees. My second hat is that of a victim teller, having been directly involved in two armed robberies and indirectly involved in three others.

Multco Credit Union is a single branch operation located in S.E. Portland. We are $18 million in assets---middle-sized in the credit union context, but infinitesmally small by banking standards. I've never considered our neighborhood to be a hot bed of crime, but it certainly has turned out to be focus of the majority of Portland's bank robberies. We have been robbed six times in the past 30 months....and we are not the neighborhood champions. Within a few blocks, First Interstate, US National, Far West, Benj. Franklin, and Community Bank have all been victimized many times.

From a flinty-eyed accountant's point of view, the financial impact of the six robberies is almost non-existent. Due to Multco's internal controls, low cash drawer limits, and use of exploding dye packs, the average take home of the six incidents was about $700 each. Unlike my bank and thrift colleagues, a credit union's losses are first-dollar covered by our own insurance company. They must eat 100% of their own losses.

The cost of prevention, like every other cost of doing business is passed through to our consumers. Congressman, you've heard it a million times....the old "free lunch" line. Our small single branch credit union has thousands of dollars tied up in security equipment, most of it being the technojunk of 35mm cameras, video cameras, bill traps, alarm systems, and exploding dye packs. We are currently considering the SDI of robbery protection, a $12,000 package of bullet proof glass and doors.

Modern technology provides excellent tools for apprehension, but are obvious failures in prevention. We have a sign on our entry door stating that a 24-hour film record is being made of all transactions. We have clearly visible VCR cameras less than three feet away from every teller station. There is a televi-

sion monitor plainly in view of the waiting robbers---they can see themselves on TV. Not being classic rocket scientists, they don't seem to make the connection. In fact, our fourth robber stood in line for nearly five minutes looking at himself on the screen before stepping up to the teller position.

Let me elaborate on the six incidents. On average, our robberies have an elapsed time of 30 to 40 seconds. Two of the six involved guns, with four being so called "good robberies", that is a single perpetrator using a note and not displaying a weapon. All have been male. Five were Caucasian with one African-American. In all cases, we were not their first bank robbery. All six have been apprehended, convicted, and five are currently serving long terms in federal prison.

The real crime of bank robbery is not against the assets of Multco Credit Union or U.S. National Bank or Pacific First Federal Savings & Loan. The real crime is against our front line employees. On the "front line", and I use that term in the near-military sense, are the tellers. Usually young women, they take the brunt of the assaults. Congressman Wyden, please be assured that we are not paying tellers enough to put up with the risk faced each and every day. I would suggest that we can find tellers in Portland who have faced a drawn weapon more often than some uniformed police officers.

I recently interviewed victim tellers for a magazine article stressing the human side of robberies. Here is what they say:

"You take it very personally. It's like getting your house robbed. It's an invasion of privacy. He controlled me when I didn't want to be controlled, and that is a loss. He comes in and makes me a victim. I'm glad he was caught and put in jail."

"I've been frightened many times since the robbery. Whenever a scruffy member walks directly to my window and pulls a note out of his coat, I'm scared. One day a good member came in and jokingly pointed his finger and said "Give me all my money." I turned red and started trembling. It wasn't fair of him to do that." This teller was robbed by a cocaine addict brandishing a broken starter's pistol.

"I like this credit union. I never really considered quitting. I am very glad that I received a promotion two weeks ago and am no longer on the front line." Parenthetically, this young woman was a victim teller in four robberies.

We have all six of our robberies on video tape. I would like to screen about 60 seconds of an incident occurring last August. The voice you will hear is that of Carol Helvey, our new accounts representative. Her desk is just a few yards away from teller row. I would like you to take special note of the first few moments of the tape. You'll see five staff members

watching the robber enter the parking lot and they know it's going down. Before he even entered the building, you'll see staff heading for their telephones and alarm buttons. One came upstairs to tell me about their suspicions.

[Screen 60 second tape here]

Congressman Wyden, I think you would agree with me that the tension in that voice is about as real as you can get it. Carol is to be highly commended for her courage and coolness in a very difficult situation.

Victims, be it of bank robbery, rape, mugging, burglary, or whatever, never forget. I happened to be the teller who took the robbery in the film. We all saw the gun and heard a round being chambered. The entire staff witnessed me emptying three cash drawers into a paper sack, and the robber turning and running. A few seconds later, it was comforting to see a dye-pack explode into an incredibly dense billow of red smoke and tear gas. The perpetrator dropped everything. Since Multco proved to be unprofitable, two hours later he robbed another credit union at gun point and walked out with $6,500.

The beat goes on. Just six weeks ago, we were clearly cased for another robbery. How do we know that we were being reconnoitered? Two young men entered our credit union, looked around, and picked-up a VISA card application. Becoming nervous, they left in a hurry. I followed them. They scurried down a block, around the corner, and up another half a block. Two accomplices were in a car with its motor running. They sped away before I could get close enough to read their license number. I don't know about anyone else, but when I visit a financial institution, I usually use the parking lot, shut off the motor, and lock the car.

Experience has given us a collective nose for trouble. A sharply honed sensitivity to "suspicious" people stood us well. In a post-event analysis, we honestly feel that five sets of staring eyes, scared them off.

What makes us good at recognizing would-be robbers? It's a skill I wish we didn't need. Our internalized mistrust (some call it paranoia, but you're not paranoid when it really happens) is just another of the residuals of violence. Kelly, Lynette, Sandy, Carol, Cathy, myself, not one of the twelve people working in our office, will ever be the same again.

After the third event, Multco Credit Union undertook an employee counseling program. With management's encouragement and blessing, and without preapproval, any staff member may visit a designated counselor---one that has had experience in post-trauma stress. None of us can ever be the same again. We

just need to search for the best way to process the change in our lives. One former employee is currently seeking stress compensation from the State Industrial Accident Fund.

Let me put it personally. Every time I return to the office after a lunch or an errand, I fully expect to see the parking lot full of police cars. While many institutions can measure their risk in percentages---a 10% chance of being robbed, 20%, 30%, etc.---I measure our risk at 100%. There is no doubt in my mind that we will suffer our seventh incident within the next twelve to twenty-four months. I can not shake the feeling.

Let me conclude with some personal observations concerning causes and potential remedies. The Portland Police Department does a fine job in taking suspects off the street. So does the F.B.I. in indentifying and tracing perpetrators. Eventual arrest doesn't seem to be the trouble, most cases are solved. My main criticism stems from the lack of available resources. Saying this I realize that drugs, gangs, neo-nazis, domestic violence, etc., all are placing terrible demands on an already overburdened criminal justice system.

But here is what happens in real life. A doper hits an institution for the first time for $1,500 to $2,000. It's easy. And then he does it again, and again, and again. Instead of an apprehension after the second or third crime, it's not unusual for a known and identified suspect to exceed ten or more robberies before arrest. There doesn't seem to be enough people to do the old fashioned shoe leather police work needed to dig them out of the woodwork.

Bank robbery is yet another manifestation of larger social problems. I'll leave it to others to prioritize the causes, but here is a partial list; drugs, over-crowded local jails, revolving door prisons, non-functioning parole and probation system, gangs, poor high school education, low police morale, reduced law enforcement funding, lack of inter-agency coordination, the list goes on. Certainly, we as financial institutions can do more. I've even heard one person blame it all on Portland's former chief of police. I suppose they're is a sliver of truth in them all. All I know is that the staff of Multco Credit Union is tired of being good at dealing with robbery situations. We want to just be an ordinary credit union again.

Thank you and I will be happy to respond to any questions.

A case study in armed robbery

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Bob, we're being robbed

It can happen anywhere, so credit unions must work to reduce the probability and the severity of a robbery

It's 12:43 p.m. I'm deep into the third draft of a response to an angry member. We really made a mess of a share draft account. The intercom rings. It's Vicki, our bookkeeper. "Bob, we're being robbed. He's here now. Kelly is giving him the money. It's happening now. He's got the money. He's turning. He's leaving." Click.

Damn! This is the third time in less than a year. Since my office is just a few feet away from teller row, I'm in the lobby in a moment. It's surrealistic. A white male, 5'10", 160 to 180 pounds, dressed in dark clothing, wearing a black carnival derby hat and a black Bozo-the-Clown wig with gray streaks, brushes past me. His nose is so deformed it looks like a glue-on fake. I turn to follow. He shows a gun in his waistband and yells, "You get back in there." I do so immediately.

At 12:44 p.m., Kelly is on the phone to the police. They had already been notified when the cash drawer alarm was activated. Kelly—this is the second time she has been victimized—is still a little shaken. I take the phone and give the police a description (which turned out to be fairly accurate) and the direction of escape (which was absolutely wrong). Two employees lock the exit doors. Another looks out a window and watches the dye pack activate into a cloud of red smoke and tear gas, but cannot see the robber's progress due to the heavy shrubbery in our neighborhood.

The police do not come directly to the office; instead they send several squad cars to scour the neighborhood. My incorrect direction of travel isn't of much help. We remove the film from the continuous VCR tape deck and pull the next-teller ropes around Kelly's area to preserve possible fingerprints. The FBI calls to confirm that it is a "good" robbery and not a false alarm. It's 12:47 p.m. We can breathe again.

There must be a better paying job than robbing CUs.

Too many times

Later in the afternoon, we analyze the robbery. The staff did nearly everything perfectly. Even though Vicki and Carol are not behind teller row, they immediately noticed a suspicious person. Carol signaled the other teller, Kris, to press the camera alarm. By giving out the bait money, tripping the alarm, and including a dye pack, Kelly's reaction was flawless.

On the minus side, everyone remembered the derby hat, wig, and outrageous nose, but not one of the five of us could recall that the suspect wore very large sunglasses. Kris complains that the thumb latch on one of the exit doors was very difficult to turn quickly—we'll get that fixed immediately! Only one lobby work station is equipped with an alarm button, and during the robbery, that person was away from her desk. We discuss installing alarm buttons on every lobby desk; perhaps we could have given the police a few extra seconds. Some people question the wisdom of my starting to chase the suspect. I'll think about that.

Why did we do almost everything right? Because we've been through the drill too many times. However, we don't want to be efficient during robberies; we just want to be a normal credit union again.

The changing robber

The public has always kept a certain fascination with the act of robbing banks (or thrifts, or credit unions). Most of us conjure up the image of middle-aged career criminals like John

This FBI photo of an armed robbery in progress illustrates the stark, tense nature of the situation.

Dillinger, Slick Willie Sutton, or Ma Barker spending hours planning a job, shooting up a small rural bank—with nobody getting hurt, of course—and escaping in a hail of gunfire.

Actually, today's bank robber is different: he's single (80%), male (96%), aged 21 to 25 (35%), has never completed high school (67%), is unemployed (69%), and owns a prior adult criminal record (81%). In all likelihood, he's deeply involved with drugs. The deck is stacked against the criminal getting away with bank robbery. According to Ted Gardner, special agent in charge of the Portland, Oregon, FBI office, the nationwide bank robbery solution rate is 64% and has been as high as 82% in some areas. Once the criminal is arrested, the odds are even worse. In a recent year, the conviction rate was nearly 90%.

Gardner warns, however, not to focus too strongly on the profile of the average or typical robber. Just a few months ago, a 300-pound, middle-aged woman with her 200-plus-pound daughter driving the getaway car managed to rob a number of banks, thrifts, and credit unions in his jurisdiction. It didn't take the FBI long to apprehend and convict them.

There must be a better paying job than robbing federally insured institutions. The average loot taken per robbery is well under $2,000. Agent Gardner notes that federal judges are historically hard on bank robbers and routinely pass down sentences averaging 14 years' confinement. Not believing in the revolving door syndrome, federal prisons usually hold on to their guests for about a third of the sentence before letting them out on parole. For the time served inside prison walls, a typical robber earns less than five cents an hour.

The money side of this alarming trend hits directly in our pocketbooks. Nearly every credit union in the United States has bond coverage with a single carrier. That carrier is CUMIS, and it is in the business of paying claims—too many of them, unfortunately. There is no free lunch and the nearly 17,000 policy holder credit unions must eventually pick up the bill for every claim. In the area of robbery alone, this tab amounted to an extra $1.4 million paid out in 1986 for losses suffered at the hands of robbers.

The concept of hiding behind glass, cameras, and doors is chilling.

Larry Roberson, CUMIS's vice-president in charge of risk management, profiles the typical credit union incident as a single perpetrator (usually an addict) using a note to rob a single teller. Occasionally, robbers will gang up and try to hit more than one teller. The rarest incident—thank goodness—is the "take-over, everybody on the floor" robbery of multiple teller windows and the vault. In his job, Roberson sees hundreds of stories and mountains of statistics. "There is no way we are going to prevent all the robberies," he says. "That's part of the risk of doing business. We can only reduce the probability and the severity of a robbery. In other words, we can work for fewer robberies and make those as non-violent as possible."

It can happen anywhere

Charts, numbers, and statistics, however, do not come to grips with the human side of an armed robbery of a credit union.

If you've ever been involved as a

OPERATIONS

RISK MANAGEMENT

Nobody remembered the sunglasses when they filed descriptions of this suspect in the robbery of Multco Employees Credit Union.

Armed robbers don't always fit the profile, as this 300-pound woman dubbed "Ma Barker" proved by robbing a number of banks, thrifts, and credit unions.

victim of a violent crime, you know how personal it can get. If you're one of the lucky majority whose criminal experience is limited to paperback novels and the weekly episodes of "Miami Vice," it is too easy to say, "Nah, it can't happen here."

- "It can't happen here because our office is in the middle of a military base."
- "It can't happen here because we don't carry cash."
- "It can't happen here because our office is on the second floor."
- "It can't happen here because we are too small."
- "It can't happen here because our credit union has security cameras and bait money."
- "It can't happen here because we are not located in Detroit, or New York, or some other large metropolitan city."

Ask any one of the several thousand credit union staff members who have been robbery victims over the past decade. They will be the first to tell you, "It can happen to any credit union, in any state, at any time." In short, it can happen to you.

> *"We are all potential victims."*
> —Ray Cherry

Post-trauma stress

There are organizations doing something about the human side of this growing dilemma. Several years ago, robberies of Denver credit unions skyrocketed. At first, very little was done. In fact, some of the credit unions that had been robbed several times still did not install the simplest of security measures.

Although not yet a victim credit union, Ray Cherry of the Colorado Central Credit Union went to the Colorado League and to CUMIS to explore ways to assist local authorities in capturing suspects. At that time, it was a problem limited to the metropolitan Denver area, but Cherry saw robbery in a larger context. "It's a statewide and a nationwide problem," he says, "and we are all potential victims."

The people at the Colorado League have done even more than just try to help capture thieves. They know that dollars can easily be replaced, but the

consequences of a violent robbery may affect witnesses for a long time. A team of psychologists and counselors has been retained to go into the credit union right behind the police. As soon as law enforcement authorities have released the witnesses, the team swings into action, talking to everyone and putting the event into perspective. As

On the front line

There are lots of losers in a robbery. While insurers and credit unions may lose money, and managers and boards may lose prestige, the people at the other end of the gun—the tellers—lose much more. Here are the perspectives of three victim tellers.

Julie, before you were robbed for the first time, did you ever think about it?

Yes. In one of my previous credit union jobs, I was alone a lot of the time. I didn't like that.

Before the first robbery, what did you think he would do?

I thought it would be more like television, with violence and gun waving. This fellow just quietly held the gun at counter level and told me to give him the money.

What happened?

I couldn't believe what was happening to me. There were 16 other staff members behind me and no one saw what was going on. I really felt on the spot. Everything came back from some training we had. It seemed that I looked at him for five minutes but it was only a few seconds. I remembered to first grab the bait money, then the ones, fives, tens, and twenties. He ran to the door, and I even remembered to check his height against the six-foot marker on the exit door.

What would you do differently?

I really think I did everything I could, but next time I might try to look even harder at him.

After the robbery, were you involved in further questioning, identifying, trial, or sentencing?

Yes. A month after the robbery, the FBI came out and showed me pictures. As soon as I saw his picture, I started shaking all over again. They came one more time with the prosecuting attorney. I'm scheduled to testify, but someone always postpones the trial.

How do you feel you were treated by the local police and FBI?

They were really nice and very patient with me. It took me a little while before I could talk. All I could think about was the size of the gun. The one thing that I did not like is that it took a month for the FBI to tell me they picked up the guy just a few days after the robbery. I knew that since the robbery was successful, he would run out of money and return. I was always afraid that he would come back to my window.

After five months, how do you feel about him today?

You never know about these people. They come armed, and an innocent member just walking across the lobby of the credit union could get shot. He pointed the gun at my stomach all during the robbery. He looked scared enough to pull the trigger. I have no sympathy for him.

Does it make any difference that the gun turned out to be a pellet pistol that didn't work?

No.

How have you changed since the robbery?

I've been frightened many times since the robbery. Whenever a scruffy member walks directly to my teller window and pulls a note out of his coat, I'm scared. One day a good member came in and jokingly pointed his finger at me and said, "Give me all my money." I turned red and started trembling. It wasn't fair of him to do that.

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"He looked scared enough to pull the trigger," said Julie Muehlfeit, teller at Safeway Credit Union, Portland, of the suspect in the accompanying photograph. Muehlfeit has been a teller at Safeway for 1¼ years and previously worked at City, N.W. Dairy, and Sears credit unions.

Cherry says, "It's like a Code Blue alert in an Intensive Care Unit. They are there immediately to deal with the problems of post-trauma stress."

The Colorado combination of "catch the bad guys" while helping victim tellers is a well-balanced approach. Agent Gardner says that the FBI commits enormous resources to apprehend bank robbers, particularly first timers. Law enforcement authorities find that there is a progression of violence with repeat robbers. What starts out as just using a note and intimating a gun often grows to the display of hand guns. From experience, Gardner knows that when an addict/terrorist graduates to a rifle or sawed-off shotgun, the potential for death and injury becomes dangerously real.

A credit union robbery generally has more than one victim. Fear and mistrust flow up and down teller row, affecting even those who may have been on coffee break during the event. Loan officers, file clerks, and back-room bookkeepers will probably never recover that pre-robbery feeling of security. Many victims describe a violent robbery in terms of a physical assault or even rape.

Bank robberies are not going to stop. As fast as the FBI arrests and convicts a terrorist, two more seem to appear. In 1984, the sparsely populated state of Oregon suffered 203 robberies of financial institutions, 210 in 1985, and an astounding 332 in 1986. The 1986 total includes 38 robberies of credit union offices. That's one robbery for every 4.5 Oregon credit unions within a single 12-month period. Once this type of crime gets into the blood of a local criminal element, it is hard to eradicate.

As the number of robberies increases, so will the number of individual tellers who have suffered through more than one event. George Baucom, a security official for First Interstate Bank, also worries about the human side. Located on the West Coast where many of the nation's bank robberies take place, his bank has seen thousands of incidents. As the stress of multiple robbery experiences accumulates on a teller, job turnover becomes an important factor.

The multibillion-dollar First Interstate Bank with hundreds of branches is not different from Hometown Credit Union on Main Street. No one wants to lose a quality, well-trained employee. Baucom is deeply concerned about the potential of long-term-stress disability claims, a very costly situation both in terms of human emotion and money. Special Agent Ted Gardner agrees and says that financial institutions should

On the front line

Before you were robbed for the first time, did you ever think about it?

I've been in the office during other robberies. Maybe I thought about it, but until it happens...you can't know.

Tell me about your robbery experience.

I was the only teller on the line. I looked up and saw this guy, and I just knew he was trouble. It was electricity or something. He reached into his pocket and pulled out a note. His hand was shaking so bad that he could hardly hold it. I thought to myself that he is more nervous than I am. It was like a slow motion dream. I pulled the bait money and gave him the rest of the money in my drawer. He ran from the lobby and we all watched him run down the street.

What would you do differently?

I would try to get a better facial description.

How do you feel about him today?

You take it very personally. It's like getting your house robbed. It's an invasion of privacy. He controlled me when I didn't want to be controlled, and that is a loss. He comes in and makes me a victim. I'm glad he was caught and put in jail.

How have you changed since the robbery?

I was robbed one day and was standing next to Tracey on the very next day when she was robbed. Later, when I would go shopping, everyone I saw looked like him. I said to myself, "I don't want to go back on Monday." I considered quitting, but the credit union hired a guard for almost two months. Without that guard, I don't think I could have worked here anymore.

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Glenna McClintock was alone on the teller line at Electra Credit Union, Portland, when she was robbed. The man was caught and convicted. McClintock has 2½ years at Electra.

put much more emphasis on post-trauma counseling and the human side of robbery.

No quick fix

If credit union directors and management want a quick fix to the robbery dilemma, they are not likely to find it. Like every other complex problem, the answer is many-sided and cannot be delivered in a neatly tied package.

As CUMIS's Roberson says: "There is no way we are going to prevent all the robberies. That's part of the risk of doing business." The simple realization that it is going to happen sooner or later is the first step to reducing the potential for monetary loss, emotional stress, or worse.

Staff training is extremely important. Agent Gardner points out that the human mind does strange things during stressful situations. Six-foot, dark-haired people with dark complexions become short, fat, redheads. "Tellers should do exactly what they are told and observe everything," he advises. A good description leads to arrest and conviction, and trained tellers become good witnesses.

Boards of directors also should consider the physical hardware needed to protect staff and discourage would-be thieves. The most basic items include bait money, alarms wired to law enforcement agencies, and 35mm film cameras. The next level of security devices involves continuous VCR cameras and dye packs.

High technology and miniaturization will help put even more would-be desperadoes in jail. Brand new on the market is a nearly undetectable radio device that can be slipped into a strap of bills. Using a tracking receiver, local authorities can follow bad guys right to their front door. Wouldn't you like to see the surprise on their faces when the police knock on the door even before the loot is counted?

The nuclear bomb shelter in the anti-robbery business is bullet resistive (BR) glass. When asked what security measures would be implemented if he were the president of a credit union for just one day, Roberson said, "The only loss control method that really works is BR glass, and I mean putting everyone in the office behind it. I wouldn't want any of my staff to be exposed to robbery or a hostage situation." Responding to the same question, as the imaginary president of the FBI Credit Union, Ted Gardner agrees with Roberson. "BR glass is the only way to effectively protect staff and property."

The concept of every credit union

On the front line

Before you were robbed for the first time, did you ever think about it?

It never once crossed my mind.

Tell me what happened.

Which time?

How many times have you been victimized?

Four.

Tell me about the one that you remember best.

He was a big guy.... I would have sworn he was a member because he had on a uniform jacket that many of our members wear. He was very pleasant, handed me a note, and told me to act normally and give him all the money. He even mentioned what kind of gun he had, but I never did remember that detail. When he ran away, I noticed a pipe or some kind of container showing from the bottom of his jacket. It was scary.

What would you do differently?

Nothing. You have to do what they say.

Do you feel that one of these guys will come back and do it again?

Yes. It is so easy. They just walk in, get the money, and turn around and leave.

How do you feel about them today?

Nothing. They are where they belong.

How have you changed since the robbery?

After four times, I know what I am going to do. I know that I am not going to panic. I like this credit union. I never really considered quitting, but both my fiance and I are very glad that I received a promotion just two weeks ago and am no longer on the front line.

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Tracey Matney has been robbed four times. The robber in the accompanying photo was apprehended and convicted. Matney has been with Electra Credit Union for 6½ years.

hiding behind a Fort Knox of glass, cameras, and doors is chilling. No one wants to live that way. Even when banded together, the credit union movement cannot afford the monetary losses, the long-term stress claims, or the inevitable trauma of death or injury that comes with this rampant epidemic.

The experts agree that boards and management should take to heart the old saying, "If you're not part of the solution, you're part of the problem."

Written by
Robert Burns
Manager
Multco Credit Union
Portland, Oregon

Editor's note: *Burns has been involved with credit unions for the past 15 years, including managing a United Nations credit union in Rome, Italy. He also teaches credit union management subjects at Mt. Hood Community College. He is an occasional contributor to* Credit Union Magazine.

Some more help

For additional information on how to protect yourself and your credit union, please refer to these stories in past issues of the magazine:

"The front line of crime detection" (CUM 10/86, page 40).

"Robbery description made easier" (CUM 10/86, page 46).

"Don't gamble with safety" (CUM 1/86, page 38).

"More cash drawer advice" (CUM 1/86, page 42).

"Security discussion topics" (CUM 1/86, page 44).

Also available is a 27-page reprint of past articles from the magazine that will help you identify, measure, and control your exposure to loss. Titled "How safe is your credit union," it covers such subjects as forgery, burglary, robbery, embezzlement, and office safety. Copies are $3 each. Send share draft or check to Credit Union Magazine Reprints, c/o Carla Baez, P.O. Box 431, Madison, WI 53701.

F.I.S.T. fights back

Oregon financial institutions experience the second highest incidence of robbery in the nation—about one every working day. F.I.S.T. hopes to change that.

The acronym stands for Financial Institutions Security Task Force. It's a committee made up of representatives from the banks, S&Ls, the Oregon Credit Union League, and the FBI.

F.I.S.T. works in two ways. One goal is to educate people about how to prevent robberies and how to deal with them if they occur. F.I.S.T. sponsors an annual statewide training seminar, publishes a quarterly newsletter for financial institutions' security officers, and has put together a training manual with checklists, ideas, and suggestions.

Second, F.I.S.T. helps catch financial institution robbers by distributing posters of suspects and offering rewards for information about robbers.

Susan Sands, marketing director for the league, said F.I.S.T. paid about $30,000 in rewards, ranging from $100 to $1,000, in 1986.

Every six to eight weeks, F.I.S.T. distributes posters to all financial institutions. The posters, produced from security camera photos of recent robberies, are displayed in the lobbies of financial institutions.

In addition to helping identify robbery suspects, Sands said, the posters serve three functions:

- They reassure employees of financial institutions that something is being done to help curb robberies.
- They remind customers that there's an active campaign against robbery.
- They act as a "point of sale" deterrent to potential robbers—making them think twice about going through with their robbery plans.

F.I.S.T. is funded by an annual assessment on all financial institutions in Oregon, Sands said. In addition to paying for the security training information and the poster campaign, the money also is used to help support the statewide Crime Stoppers program. Crime Stoppers assists the F.I.S.T. program by publicizing financial institution robberies.

Reported by
Howard Cosgrove
Senior Editor

Portland, Oregon, preschoolers Scott Tovar (left) and Lyndsey Wies-Jones each received a $500 reward from the Financial Institutions Security Task Force (F.I.S.T.) for helping to identify a suspect in the robbery of Multco Employees Credit Union in April. The children told an FBI investigator that they saw a man "with a big pink cloud around him" run past their house and jump into a green pickup truck. The pink cloud came from an exploding dye pack a teller had slipped into the money she handed over to the robber. The FBI said the children's description of the man and the getaway truck led directly to his arrest.

"It's going down...."

By Robert Burns

A man is crossing our parking lot on the route used in all of our previous robberies (six in 30 months).

Staff working in the lobby unobtrusively alert each other. Cathy moves to press a button that will start the surveillance cameras. Kelly and Kathy are noting his description. Barb slips quietly upstairs into my office. Not waiting for an overt action, Carol dials 9-1-1.

Each employee has experienced at least one, some as many as five, previous robberies. They know excess conversation is unnecessary.

"If" was not the question; only "Will it go as easy as the last time?" The call:

911: "9-1-1. Police, fire, or medical?"

Carol (whispering): "This is Multco Employees Credit Union. We have someone in here that we aren't too happy with. Can you hear me?"

911: "Yes I can. What is your address?"

Carol: "4410 Southeast Hawthorne."

911: "What's the guy doing?"

Carol: "He's just standing around because nobody's waiting on him right now, and I don't want to be looking up."

911: "Can you describe him?"

Carol: "Male, six foot, plaid shirt, thin, very thin. The manager is talking to him right now. He's wearing a black-billed hat with a gray brim."

911: "What color is his shirt?"

Carol: "Blue.... It's going down, it's going down right now. He's got my manager's hands up. Oh god, he has a gun. Oh, he's got the second teller now. I have to get off the phone."

911: "OK, we'll be there."

While Carol is on the phone, I step up to a teller window and ask, "May I help you?" After a few moments of conversation, the man pulls a pistol and loads a round into the chamber. He hands me a paper grocery bag, and I gather all the visible currency, a dye pack, the bill-trap money, and the bait money—everything goes into the sack. I'm still holding the sack when a wave of his gun motions me to the next window.

Lynette calmly opens her cash drawer and empties the visible currency into the sack. She also donates her dye pack and her bait and bill-trap money.

At the third teller station, Sandy fumbles momentarily with her drawer key. The drawer finally opens, and the paper bag is sweetened with more cash and another dye pack. The man grabs the sack and races to the exit.

Ten seconds after leaving the front door, a dye pack sputters an incredibly dense red smoke. Tear gas fills the air. The robber jettisons the smoking bag and races for a car driven by an accomplice.

A member making a deposit and the entire credit union staff stand motionless for a few moments, completely stunned, watching as the man disappears.

Six police cars are speeding to the credit union. Two citizens see the dye pack explode and give chase. But the thieves evade both the citizens and converging police cars and escape.

The next day, law officers apprehend two suspects, but not before another credit union is robbed at gunpoint.

The script of an exciting made-for-television thriller? No, just another of the day-to-day realities confronting today's credit unions. *(continued)*

How to prevent robberies

An alert staff and the right security equipment will minimize your risks

In four of the past five years, the rate of most serious crimes in this country has declined. No such luck in the bank-robbery category. There have been very few years during the past 25 years that show a decrease in the number of banks, thrifts, and credit unions suffering from this devastating crime.

Volumes have been written about a cure, but here is a cold fact: Most of what credit unions do to prevent armed robbery does little to accomplish the purpose. If that's so, is spending money on security a waste of assets? Not at all. Wisely spent, your money can discourage robberies, assist in apprehension, recover losses, and help convict those who terrorize staff, members, and innocent bystanders.

Demands for security equipment and procedures are driven by the risks credit unions face. Some credit unions are located in high-crime areas, while others are not. Richard Woldt, a risk-management specialist for the CUMIS Insurance Society, asks that you look at your credit union through the eyes of a robber. The thief wants a target that is quick, easy, and low risk. The right security equipment is one way to slow down the robber and to increase the risk of capture and conviction.

Security hardware ranges from simple to technical. You don't have to be a zillion-dollar credit union to accomplish the first steps in denying the robber what he wants most. Every credit union should have a barrier between the money and the public, even if it's just a waist-high door with a thumb latch.

A free-swinging door is nearly worthless as a deterrent. A substantial-appearing (and low-cost) obstacle might lead to a few seconds' hesitation. This delay could be the circumstance that prevents a single-teller robbery from turning into a terrifying "behind-the-counter-everyone-on-the-floor" event.

Bullet-resistive barriers

Bullet-resistive (BR) glass is one of the few items of hardware that actually can prevent robberies. BR barriers are frequently known by other names—bandit barriers, protective partitions, or ballistic glass. Often it's not made of glass at all, but a modern, high-strength plastic material. Due to the availability of high-powered small arms and ammunition, the words "bullet proof" are never used.

BR barriers stop robberies, but only in the protected location. BR barriers in a single credit union push the potential incident to another institution. Experience in Detroit shows that when financial institutions in urban areas installed BR barriers, the problem just migrated to the suburbs and less protected industries, says Larry Roberson, vice-president, CUMIS Risk Management.

Although BR barriers represent true robbery prevention, they also are one of the most difficult decisions to face a board of directors. Virginia Commonwealth University, Richmond, studied barriers within the banking industry and published the following findings:

- A high percentage of customers had a positive attitude toward barriers.
- About 75% did not perceive them as less personal.
- Only 15% thought doing business was more difficult.
- 91% of the employees felt more secure with BR barriers.

Federal Bureau of Investigation (FBI) statistics show that fewer than 3% of robberies were attempted in banks containing BR barriers. The study also debunked the nagging issue that BR barriers create hostage situations. The study concluded that BR barriers did not significantly increase the risk of hostage taking.

An FBI memorandum to area financial institutions in southern California noted that of 7,250 robberies in institutions with BR barriers, only three involved hostage taking. The memo also stated, "In our examination of many techniques and items of equipment, the bandit barrier has, without question, risen to the top of the list as the most effective deterrent to the would-be bank robber."

A 1986 study by Indiana University

Editor's note: *This is part one of a three-part series on robbery prevention. Part one looks at barriers and alarms. Part two will cover surveillance equipment and dye packs. Part three will deal with procedural techniques that can reduce the number and severity of robberies.*

compared BR barriers with the use of armed guards. It observed that at high-risk locations, BR barriers are preferable to an armed guard. The presence of armed guards increases the chances of violence during a robbery attempt. And in the long run, armed guards are considerably more expensive than BR barriers.

Underwriter's Laboratories (UL) sets standards for BR materials. Tests are conducted at close range (15 feet). Ratings range from Level I material, which is capable of stopping three rounds from a 38-caliber pistol, to Level V, which will protect staff from multi-round attack by a 7.62mm high-powered military rifle.

BR barriers used to conjure up a vision of prison—everyone behind bars. But not anymore. New designs are light and airy and allow for normal conversation between members and credit union staff. Naturally, most members would prefer the usual openness and accessibility of tellers, but members should understand that their security and that of staff is greatly enhanced.

If a credit union has never been robbed and is in a low-crime area, BR barriers may not be necessary. For most credit unions, the $2,500 to $3,500 average cost per teller station may be well worth a second look.

Alarm systems

Alarm systems rarely prevent armed robbery. Most bank, thrift, and credit union robbers believe that alarms, cameras, and police can be outrun.

The best alarm system in the world is an alert and suspicious staff that spends a few moments giving a second look to everyone entering the lobby. In four out of the past six robberies at Multco Employees Credit Union, Portland, Ore., loan officers and new-accounts representatives were aware of the threat before the eventual victim (teller) was. This vigilance leads to better physical descriptions and gives police a head start.

When considering new installations or reviewing an existing alarm system, however, there are four priority questions:

■ Is the alarm system accessible by every staff member likely to witness or be involved in a robbery? Many systems are teller-activated only—the very people whose lives may depend on doing nothing hastily in the face of the robber.

■ Does the system quickly and efficiently connect to the right people? Some systems must filter through one- or two-alarm stations before making a call to police. If a system cannot be hardwired directly to law enforcement, be sure to deal only with the most reliable of alarm answering services.

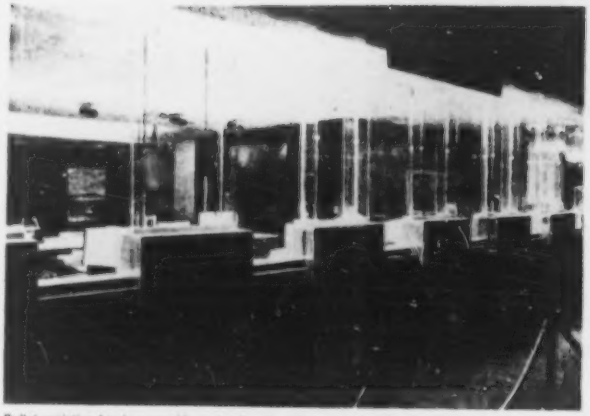
■ Is your current system state of the art? Without periodic updating, systems installed five or 10 years ago may be too slow or unreliable. The average credit union robbery takes less than 45 seconds. If the system must rotary dial or use regular office phone lines, it may not be much good during an emergency.

■ Does everyone in the office know how to use the system? Credit unions have personnel turnover, and the next thief might pick the newest teller—you know, the teller who is scheduled for security orientation...next Monday.

During a robbery, there are a number of ways to activate silent alarms. Every office should have a generous number of alarm buttons located on desks away from the teller line as well as on the teller line. They can be activated unobtrusively by loan officers and clerical staff without jeopardizing the safety of staff members or bystanders.

Tellers can activate alarms with bill traps, single- and double-finger switches, or foot-rail switches. At a minimum, each teller station must have a bill-trap activator and a nearby push button. By removing some bills or by pressing a finger or foot button, most systems activate surveillance cameras and initiate a call to law enforcement officials.

If you are thinking smugly that your credit union has this and more, ask yourself one more question. When was the last time your system was serviced? Good alarms are complex electronic systems. Batteries discharge with age. Fine wires soldered to bill traps or push buttons are subject to abuse and failure. Parts wear out. A few dollars spent for annual service calls are a minor trade-off for system reliability.



Bullet-resistive barriers provide protection for tellers without preventing them from conversing with your members—and BR glass is less intimidating than armed guards.

Written by
Robert Burns

Editor's note: *Burns is a frequent contributor to* Credit Union Magazine. *He manages Multco Employees Credit Union in Portland, Ore. Much of the background material for this article stems from experiencing six armed robberies within the past 30 months. As a result, Multco credit union is seriously considering bullet-resistive barriers.*

Operating tips to prevent robbery

Security procedures are as important as equipment

Special Agent Stan Renning of the Portland, Ore., Federal Bureau of Investigation (FBI) field office recently interviewed a woman who admitted robbing 14 credit unions. She singled out credit unions, she said, "because they're so easy."

Perhaps credit unions are easy targets; perhaps not. What's scary is the perception that credit unions are "easy."

Rich Woldt, a risk management specialist with the CUMIS Insurance Society, will tell you that a credit union cannot completely stop robberies but only reduce their number and severity. The task is to match your security measures with your exposure.

This woman admitted robbing 14 credit unions "because they're so easy."

Exposure

Measuring exposure isn't easy. A 1986 study on robberies of financial institutions published by the School of Public and Environmental Affairs at Indiana University offers some insight on the subject of exposure. The study put in priority order which institutions become robbery victims: 1) a branch-sized office, 2) which has been robbed within three years, 3) is located in a city with more than 25,000 people, 4) in neighborhoods where other businesses display visible security devices and 5) where employees are afraid to walk alone at night.

An institution with all these characteristics is 90 times more likely to be robbed than offices without the characteristics. In assessing exposure to crime, location seems to be everything.

The Indiana University study also divided robberies into three categories:

1. Most are committed by lone, unarmed bandits. They generally stand in line and pass a note or quietly order the teller to hand over the money. Violence is rare.

2. This category involves a single perpetrator armed with a gun. The potential for force escalates.

3. The final type of robbery is identified as an armed team assault. These show signs of careful planning with one person in charge acting as a lookout, while others clean out teller drawers and vaults. Both monetary losses and the potential for violence increase dramatically.

A security officer

Help is available to assess exposure and match it with security devices and procedure. Local law enforcement can help determine your exposure, and the risk management department of CUMIS Insurance can advise you on what to do about it. But the ultimate responsibility for security, like everything else in a credit union, rests with your board of directors.

Security specialists recommend that the board appoint a security officer, define the duties, and provide funding to meet security needs. Among those duties, the security officer must assess risk, make equipment recommendations, and ensure training in operation of security equipment and procedures. All employees should be trained—not just those on the front line.

How important is training? Recently, at Multco Employees Credit Union, Portland, Ore., a loan officer was unable to activate an alarm during a robbery because the procedure of depressing two buttons simultaneously with a thumb and forefinger had not been demonstrated. Fortunately, the teller was able to activate the alarm, which also activates cameras, without detection.

Security training should cover both

Editor's note: *Part three, the final part of our robbery prevention series, examines some simple procedural techniques. Parts one and two in January and February looked at the variety of security equipment available.*

equipment use and personnel procedures. It should give employees an idea of what to expect during a robbery and how police will respond. Security policies and procedures should be in writing for everyone's understanding and protection.

When a security officer makes recommendations based on changes in the neighborhood, the board must be ready to act to reduce the risk—to install surveillance cameras, bullet-resistive glass, or whatever it takes.

Many security procedures involve no cost, only a change in the way things are done. Examples are the use of bait money, drawer-limit policies, confidential transport of cash, and varied commuter routes to avoid threat of kidnapping and extortion.

Bait money

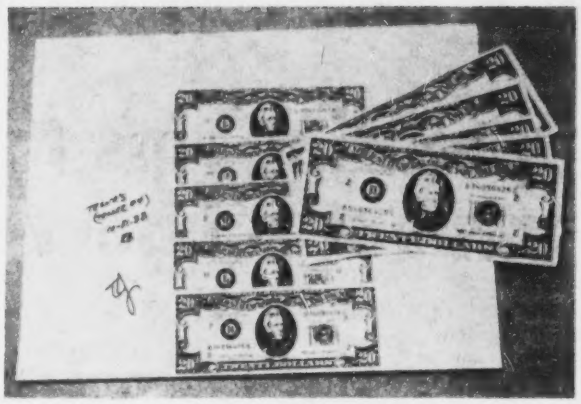
Properly recorded bait money enhances your chance to recover cash and gain a conviction. Bait money is simply a supply of bills with the serial numbers recorded. These bills are handed out along with other working cash. An easy way to record bait money is to photocopy the bills (at least five) and note the date and the teller's name on the copy (see photo). It assures an error-free list of serial numbers.

Don't be like the credit union that stapled five $20 bills together along with a note that read, "Bait money—do not give out to members." And don't be chintzy, recommends the FBI's Renning. Have some money to give out, even if yours is a non-cash credit union.

One of the credit unions robbed by the woman who confessed to robbing 14 was a non-cash credit union. It had no teller function, but the credit union had the foresight to maintain a "dummy" teller station with a small stack of bills, including bait bills. The $213 take was enough to satisfy the woman.

Drawer limits

If the woman robbed credit unions because they're "easy," she also believes her average wage wasn't too bad. According to FBI statistics, the typical loss in a single-teller robbery is less than $1,500. But consider what happens when bandits hit the jackpot.



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Photocopying is a simple way to make a list of bait-money serial numbers.

Within a recent 30-day period, three single-teller bank and credit union robberies in the Portland area netted the crooks $16,500, $8,000, and $6,500.

In reviewing teller drawer policy, the first priority is not to limit cash loss, but to get the perpetrator out the door in the shortest possible time. Robberies that are quick and clean are less likely to result in violence.

The total cash available to a teller should be kept in three separate places. The first is the cash that is visible when the drawer is fully opened. Robbers look for opportunities that are quick, easy, and low-risk. In most robberies, a teller can quickly gather the visible currency and satisfy the thief, hastening his or her exit.

Operationally, it's not efficient to run a cash drawer with less than $700 in visible currency. However, amounts of more than $1,500 should be stashed away. Many credit union tellers maintain a nearby, out-of-sight stock of currency. This overcash should not exceed a few thousand dollars. Any additional teller dollars should be tucked safely away in the vault.

Extortion

Not all credit unions are robbed at the teller line. One of the most frightening outgrowths of the exploding robbery rate of financial institutions is the prospect of kidnapping and extortion. Fortunately, these incidents are extremely rare. Their rarity makes advance readiness and training seem needless, but awareness, preparation, and planning are the only real defenses in preventing and dealing with these traumatic situations.

No credit union employee—from teller to president—is immune from an extortion/kidnapping threat. When the extortion attempt occurs, extortionists often kidnap a family member or claim to have done so.

Bait money improves your chance to recover cash.

Prevention begins in the home, according to a study conducted by the Association of Credit Union League Executives. It suggests the following: Set a good example by encouraging security awareness by every family member. Teach your family to have a healthy level of suspicion of strange events, cars, or people. Be alert for surveillance attempts. Vary family habits and patterns of movement. Make sure that at least one family

member knows where the others are at all times. And don't trust strangers.

Cash handling

When it comes to handling cash, don't advertise its availability. Don't have an armored car parked regularly in front of your credit union. Instead, vary the days when cash is delivered. If you send an employee to pick up cash, vary the time, route, and person so as to be unpredictable and inconspicuous.

Whenever cash is in transit, risks escalate. A few years ago, an unescorted credit union employee in the Pacific Northwest shot and killed a would-be robber. The tragedy easily could have been reversed. Woldt will tell you that arming employees is a foolish, dangerous practice.

There are no pat answers for the safest way to get cash from one place to another. These are just a few of the variables to consider: distance to transport, frequency and regularity of trips, amount of cash handled in each trip, and area crime statistics.

Technology has supplied some help for cash handling. Employees carrying cash can be outfitted with miniature transmitters. They can be carried on one's person or secreted in a money pouch. In the event of a robbery or kidnapping, the transmitter can be tracked on the ground or in the air. The dimensions of these transmitters range from belt-clip beeper size to microminiature instruments no larger than a dime.

Innovation has not ignored the cash-handling problems of teller row. Several manufacturers now offer automated cash dispensing systems (see photo). They dispense up to 15 bills per second and cut the typical withdrawal from 30 to five seconds. They are useful in "express lanes." And they enhance teller security. An armed robber is unlikely to stand around while a teller dispatches bills one at a time.

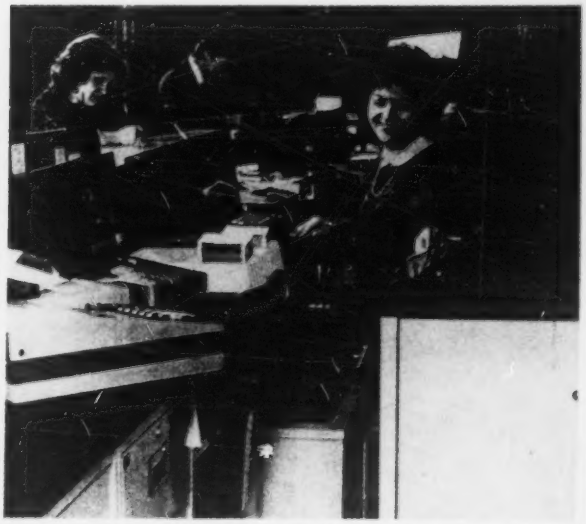


Photo courtesy of Inter Innovation LEFEBURE

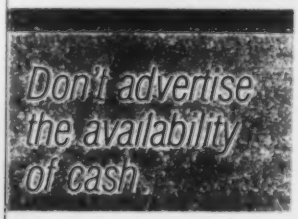
Cash dispatch systems used in express lanes also offer an element of security because it's doubtful that a thief would wait for bills to be dispatched one at a time.

Security programs

Credit union security programs consist of several components: physical devices, procedures, policies, and training. Before developing or revising any of these components, consider these factors: compliance with local law, regulators, and insurers; the cost in relation to the physical threat; the function of a desired system (a state-of-the-art alarm system is useless unless every employee is willing and able to use it); and the cost and complexity of ongoing training.

The safety and well-being of employees have to be key security considerations. Credit unions always have been caring institutions, and this attitude extends to employees.

There are other practical reasons for being security conscious. Employees may file personal injury lawsuits for physical and emotional distress. They are filed against financial institutions, their officers, and directors. The most common allegation is that the institution and its directors were negligent by not protecting persons from a known hazard.



It is in the best interest of every credit union to be able to show documented awareness of a problem and the positive steps taken to confront it. And it goes without saying that it is in the best interest of the credit union to protect its employees and its members.

Written by
Robert Burns

Editor's note: *Burns is a frequent contributor to* Credit Union Magazine. *He manages Mulfco Employees Credit Union in Portland, Ore.*

Don't let crooks get away scot-free

Properly placed security equipment leads to apprehensions and convictions

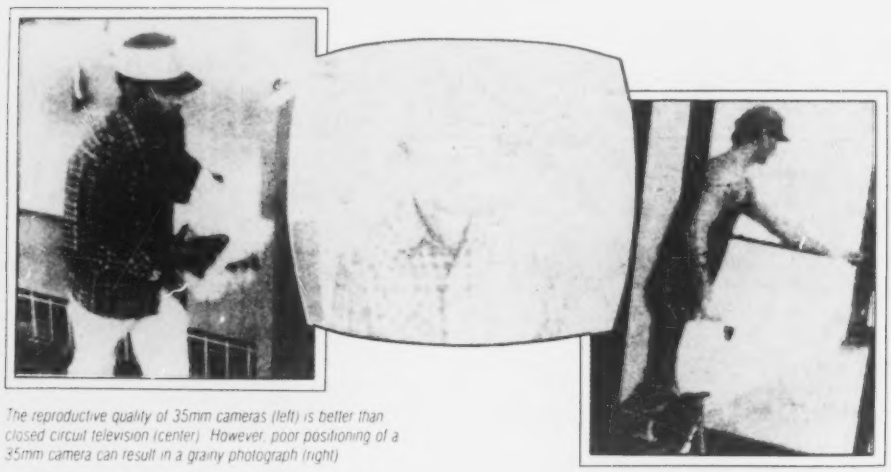
Short of installing bullet-resistive (BR) barriers, it is unlikely that anything a credit union does will stop robberies cold. So why bother installing anything else?

The right equipment can serve several purposes. For example, a well-placed, easy-to-spot 35mm camera may be only a slight deterrent, but cameras provide excellent evidence. Good evidence leads to apprehensions and convictions. Another example is dye packs, which are often involved in the recovery of funds and the capture of perpetrators.

35mm cameras

To be useful in an emergency, an alarm system must connect to other equipment. The alarm system button also should activate surveillance cameras, including a quality 35mm camera. Photographic evidence taken during robberies is responsible for more convictions than any other single protective device. To do its job, a 35mm camera must be correctly positioned, have a reliable switch mechanism, contain fresh film, be in focus, and be serviced regularly.

In a letter to financial institutions, the Los Angeles office of the Federal Bureau of Investigation (FBI) said,



The reproductive quality of 35mm cameras (left) is better than closed circuit television (center). However, poor positioning of a 35mm camera can result in a grainy photograph (right)

"While most institutions use surveillance cameras, many are inferior quality, poorly serviced, or badly positioned. Good quality photographs are the FBI's primary investigative tool in solving robberies."

It was only after its second robbery that Multco Employees Credit Union in Portland, Ore., discovered one of its four teller stations was completely out of camera range. Fortunately, the film laboratory developed a weak, grainy enlargement from a second camera located 40 feet away, across the lobby.

A lot of things can happen to 35mm cameras. A janitor in search of cobwebs can knock them out of alignment, and time takes its toll on any equipment, particularly film.

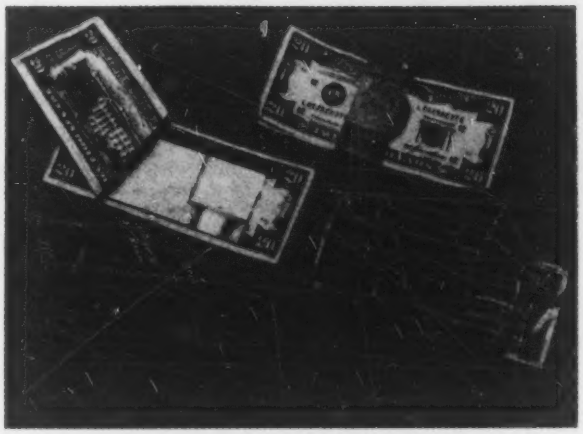
There are several ways to learn if your 35mm camera system is in good working order. One is to come up empty-handed after an incident. Certainly the best test is during annual system maintenance. A complete test usually consists of checking all activators, running off the old film, and replacing it with fresh film. The old film is developed to verify the focus, lens settings, and general mechanical condition.

Modern cameras are much more attractive than the black, boxy behemoths of past days. Today's cameras possess a number of interesting "bells and whistles." Newer equipment may include the time and date superimposed on the film. There are dozens of lenses that can be mounted to a camera, ranging from narrow-focus to low-light to wide-angle, "fish-eye" lenses.

One important feature of a 35mm surveillance system is a "suspicion setting." These systems allow an employee to shoot a few feet of film without summoning police. This is useful when a teller suspects a bad-check passer or if someone appears to be casing the place.

Credit unions located in high-crime areas may want to upgrade to 70mm cameras for photos with better resolution.

Editor's note: *Part two in our robbery prevention series looks at surveillance equipment and dye packs. Part one, in January, examined barriers and alarms. Part three will cover procedural techniques that can reduce the number and severity of robberies.*



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A dye pack is simply a hollowed-out bundle of bills containing a device that is electronically triggered. The dye pack sputters into action, emitting tear gas and a smoke/dye bomb.

Closed circuit television

Sophisticated closed circuit television systems (CCTV) are fairly new on the protection scene. They are high-tech versions of the camcorder-videocassette recording (VCR) equipment now replacing the old home movie cameras and projectors.

A typical system consists of one or more cameras, a switch that clicks the cameras on and off, a specially designed video recorder, and television monitors.

There are significant differences between a security-level CCTV system and the familiar home models. Security VCRs (available in Beta and VHS formats) can record 24 hours of activity on one 120-minute tape. Admittedly, 24-hour output looks a little jerky—like old Keystone Cops movies when played back—but can produce excellent single-frame prints.

Technological advances in CCTV are coming faster than they are in 35mm equipment. Recent innovations include solid-state cameras, lens improvements, color cameras and monitors, low-light operation, and fiber optics.

There are several features that make CCTV different (not necessarily better) from photographic film. Videotape can be viewed immediately and repeatedly. In the most recent robbery at Multco Employees Credit Union, local police and the FBI confirmed the identity of a suspect within minutes of the robbery by viewing an "instant replay."

Continuous filming is another advantage of CCTV. During a July 1988 robbery at Multco, the thief ordered the teller, "Don't give me a dye pack or trip the alarm." She followed credit union policy by obeying instructions to the letter. However, the ever-vigilant CCTV system captured the entire event and produced usable single-frame prints.

By rotating the cassettes, a credit union can economically maintain a film record of weeks or months of transactions. These continuous records can be useful in identifying bad-check artists and teller fraud.

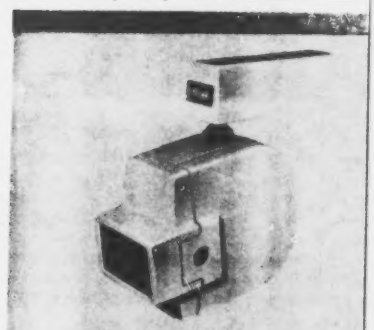
As good as it is, experts advise not to rely entirely on CCTV surveillance. Special Agent Stan Renning of the Portland FBI office believes both 35mm equipment and CCTV are needed because 35mm yields better photos, while CCTV can be used continuously. In about half the inci-

dents of robbery, 35mm cameras are not activated.

Dye packs

A dye pack is a hollowed-out bundle of currency containing an electronic trigger device, a small canister of tear gas, and a smoke/dye bomb. Dye packs do not explode; they just sputter and sizzle into action. They are activated when the perpetrator passes through an electronic field, usually placed in a financial institution's doorway. The heat, smoke, and tear gas cause the thief to drop the loot. If activated in a getaway car, the choking smoke makes driving impossible.

Chemicals used in dye packs will not inflict long-term injury. Tear gas temporarily disorients the victim.



Photos are the FBI's primary investigative tool.

Major discomfort disappears within 15 to 30 minutes. Fresh air and clean water are the typical antidotes to tear-gas exposure.

Dye packs are designed to catch crooks and recover money. In three of the past four robberies at Multco, dye packs were handed out. In the first incident, the pack activated 10 seconds after clearing the exit door. The assailant managed to keep the loot only by tossing the money and dye pack into the bed of his getaway pick-up truck. The smoke of a dye pack is incredibly dense, and the sight of a man running down the street trailing a red cloud raised the attention of two witnesses.

Even though they were five and six years old, the witnesses' information led to a quick arrest. The suspect, who was on parole for murder, pleaded guilty and was sentenced to 20 years in a federal penitentiary (CUM 7/87, p. 64).

The second robbery involving a dye pack occurred on a hot and windy afternoon last summer. Carrying about $1,000 and a dye pack, the robber was forced to abandon the money on the windswept street. Staff and police officers recovered about half the money scattered over a three-block area. Neighborhood kids had a great time combing the streets for the rest of the wind-borne treasure.

The most recent multi-teller robbery at Multco (CUM 1/89, p. 80) netted the suspects nothing but the potential for a long stay in prison. Because of the smoke and commotion, two citizens were able to describe the robbers and their car. From these descriptions and those provided by staff, police identified one suspect almost immediately.

Dye packs are kept on safety plates in teller drawers and in the money vault so they cannot be discharged accidentally. They don't activate when removed from the plate but are triggered separately by an electronic field, usually placed at the exit door. Thus, the pack's internal clock starts ticking only after the thief leaves the premises.

Dye packs can be timed to discharge at various times, but 10 seconds is typical. If the perpetrator returns through the doorway, the clock resets to its original holding position.

Within the limited scope of its job, a dye pack can be remarkably effective. According to a Virginia Commonwealth University study of 171 robberies, 71% of the funds stolen

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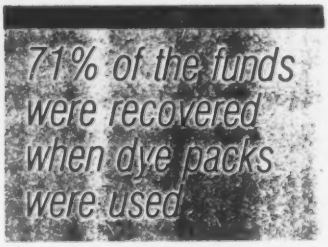
were recovered when dye packs were used. The same study showed that packs were directly or indirectly the cause of the robber's apprehension in 82% of the cases. There were no cases where the dye packs discharged inside the premises, and the packs maintained a 95% reliability factor for discharging.

Responsibility

Cameras, dye packs, alarms, barriers.... Where is it all leading? It's leading credit unions to take risk management measures to protect the safety of staff and members. The real cost of doing nothing is not counted in coin. Although some consider robbery a property crime, in reality, it is more like a terrorist attack against



tellers, staff, and innocent bystanders.

It's a ticking time bomb when you mix money, guns, and a history of criminal violence. Renning, who has covered thousands of bank robberies, notes that almost all start out nonviolent, but the rare incident does end in tragedy.

Most credit union incidents involve a note, a single teller, and no visible firearm, but anything can go wrong in such adrenaline-charged situations. Injury and death are possible, and the mental stress suffered by staff and members is real in every robbery, no matter how "well" it goes down.

Written by
Robert Burns

Editor's note: *Burns is a frequent contributor to* Credit Union Magazine. *He is manager of Multco Employees Credit Union in Portland, Ore.*

OPENING STATEMENT

OF

CHARLES H. TURNER

UNITED STATES ATTORNEY

DISTRICT OF OREGON

BEFORE AN OPEN SESSION OF

THE SUBCOMMITTEE ON

REGULATION AND BUSINESS OPPORTUNITIES

COMMITTEE ON SMALL BUSINESS

UNITED STATES HOUSE OF REPRESENTATIVES

PORTLAND, OREGON

MARCH 30, 1989

Dear Mr. Chairman:

Thank you for providing me the opportunity to appear before you today to discuss Oregon's burgeoning bank robbery problem.

I have read the prepared remarks of Special Agent in Charge Danny O. Coulson, FBI, Portland, on this subject and concur with his comments and observations. Like Mr. Coulson, I believe the bank robbery rate is one measure of the drug problem that is so pervasive in this state. At the risk of being redundant, let me add a few comments to those of Mr. Coulson regarding the bank robbery problem.

To illustrate my remarks and to better assist the Committee in understanding the problem, I will refer to two documents which I would like to make part of this hearing. The first is a March 10, 1989, memorandum entitled "Crime in Oregon" prepared by Multnomah County District Attorney Michael D. Schrunk and me. This document was initially prepared in 1988 and will be updated annually to provide all Oregonians with a graphic statistical analysis of the extent of crime in this state. The second document is an October 24, 1988, transcript of a sentencing in a typical bank robbery case. The all too familiar history of drug abuse and the failure of Oregon's criminal justice system to incapacitate those who represent a serious and continuing threat to our society are all too apparent.

Turning to the "Crime in Oregon" memorandum, you will note that page 2 focuses on the history of bank robbery in our state from 1950 to the present. The evidence on this subject should serve as a cause for alarm for even the most cynical and case hardened.

From 1950 to 1955, Oregon experienced no bank robberies. By 1976, we had 76 such crimes; and by 1985, the figure had escalated to 210. By 1986, the number reached 332, representing a 58% increase from the preceding year.

Following a sharp and unexplained decline in 1987, 1988 saw another record number of robberies. The 363 such crimes recorded during the past year represented the third highest number in the nation in terms of raw numbers, as well as the highest rate per capita.

What can be done about this phenomenon? I have long advocated improved camera equipment. The majority of surveillance devices installed in banks today produce grainy, extremely low quality photographs. Indeed, photographs taken from an altitude of 50-70,000 feet or even higher by both military and civilian authorities are frequently of much higher quality than those recorded by bank surveillance cameras a few feet from the scene of the crime.

Installation of security personnel and use of so-called bandit barriers and tracking devices have also been suggested as ways of reducing the crime and increasing the solution rate. While I support at least some of these measures, we are never going to see a reduction of robberies, burglaries and other crimes involving acquisitive conduct in Oregon until we address the following problems:

1. A virtually inoperative criminal justice system which carries with it no sanctions and where the time imposed bears no relationship whatever to the time served.

2. Not only are we a major drug-producing state, but we are also viewed by drug traffickers outside our borders as a lucrative place to do business.

The foregoing not only tarnishes our reputation, but makes it difficult to attract new business. The factors referred to above also contribute to increases in the cost of goods and services to consumers, insurance rates and an escalating climate of fear, frustration and despair in many communities, particularly those in North and Northeast Portland. In short, the drug problem and

all that it has brought with it has resulted in a reduction in the quality of life that Oregonians have long cherished.

As indicated earlier in my remarks, I mentioned the breakdown of Oregon's criminal justice system and the sentencing transcript in a typical bank robbery case. This case, involving an individual named Leon Aims, illustrates why Oregon's bank robbery rate is and will remain out of control.

In July 1987, Aims, a confirmed drug addict, was convicted of two counts of robbery and single counts of malicious mischief and theft in the State of Oregon. Because of Oregon's well publicized prison overcrowding problem, incarceration was not an option. Instead, Mr. Aims was placed on probation in July 1987, which he subsequently violated in January 1988. In February 1988, Aims was committed to the custody of the State of Oregon for ten years as a result of his probation violation. However, by April 7, he had been placed on furlough status, during which time he committed two bank robberies.

The colloquy between the court and Mr. Aims regarding his minimal time in custody and his conduct thereafter is highly instructive.

"THE COURT: And you were arrested in late January as a probation violator? February 22nd you were sentenced to a total of ten years in prison on the robbery charges, correct?

"THE DEFENDANT: Yes, I was.

"THE COURT: You were received at OSCI on February 22 and that some time early to mid part of April you were on leave for furlough status?

"THE DEFENDANT: Yes, I was.

"THE COURT: When did you get out of OSCI on leave for furlough status? How long before the April 15th bank robbery?

"THE DEFENDANT: I was out -- it was on the eighth day almost. I did it on my last day of my pass.

"THE COURT: So you were released from OSCI on April 7th?

"THE DEFENDANT: For a pass.

"THE COURT: For a pass?

"THE DEFENDANT: Eight day pass.

"THE COURT: I just wanted to be sure that a record was made of that because this is a matter which is occasionally of interest to people. With a ten-year sentence you are out after what?

"THE DEFENDANT: Twenty-eight days originally. I was in prison for 28 days and they sent me to the release center; two weeks after the release center before they sent me home.

"THE COURT: The release center is confinement of some sort or is it?

"THE DEFENDANT: It's not really confinement. You can walk away if you want. You go to work every day.

"THE COURT: Well, that is even a shorter period of time, I guess. That is either better or worse, depending on one's point of view. Needless to say that is an interesting set of circumstances. A person gets ten years and serves 28 days and then is released."

At a later point in the proceedings, the court noted what everyone in the law enforcement and correction communities knows so well. I quote:

"Well, the usual consequences of a federal sentence is to expedite, as I understand it, . . . the parole date on the state sentence."

While Mr. Coulson has furnished detailed answers to the questioned posed in your written submission, let me add a few postscripts to his remarks.

Gone are the days of the 1960's, 70's and early 80's when Oregon would see the professional bank robber who operated between California and Washington. Gone too are the days when we would see terrorist bank robbers whose crimes were motivated by the need to further "political" objectives.

Today's robber is between 25-40 years of age, poorly or very modestly educated, and drug dependent; a dependency that all too often involves more than one drug. We live in the age of the so-called poly-drug user. While the

typical modus operandi commonly employed by today's robber is unsophisticated and is programmed to failure, the overwhelming majority of today's robbers have been previously arrested or convicted. The most serious group of offenders in this area are a hard-core cadre of parolees, escapees, probationers and persons on temporary leave who are congregating in the tri-county area selling and using controlled substances.

In terms of the decision to prosecute, the United States Attorney's office never rejects a robbery case because of lack of resources. Indeed, the personnel currently assigned to this judicial district are entirely adequate to this task despite the escalating numbers. The occasional declination is solely the result of problems in proof and not the absence of adequate attorney personnel.

It terms of the role of state and local law enforcement agencies in the investigation and prosecution of bank robberies, I fully endorse the remarks of Mr. Coulson on this subject. Our friends and colleagues in the state have frequently provided extremely valuable assistance in the investigation of bank robberies and other crimes of interest to federal law enforcement authorities. In terms, however, of prosecution, it is entirely unrealistic to expect overburdened and understaffed district attorneys' offices to assume responsibility for the prosecution of a crime Congress has declared part of the federal domain.

The foregoing concludes my remarks, and I will be pleased to respond to any questions the Committee might have.

Memorandum

3:In

Subject	Date
Crime in Oregon	March 10, 1989

To Oregon District Attorneys

From Charles H. Turner
United States Attorney
District of Oregon

Michael D. Schrunk
Multnomah County District
Attorney

Crime in Oregon during the past twenty (20) years has seen a steady if not a dramatic increase. While there are a variety of reasons for the present situation, the information set forth below provides some idea of the seriousness of the problem as well as some of its causes. Although there are disagreements concerning the reason for Oregon's crime problem, virtually everyone in law enforcement agrees it centers around drugs and the absence of adequate jail and prison facilities.

The extent of the problem is clearly illustrated by the fact Oregon represents less than 2% of the nation's population yet ranks at or near the top in terms of raw numbers in a variety of categories, including: bank robberies, escapes, armed career criminal prosecutions, methamphetamine laboratory seizures and production of domestic marijuana.

I.

Bank Robberies

a) 1950 - 1955 No robberies.[1]

b) 1976 59 robberies.[2]

c) 1985 210 robberies.

d) 1986 332 robberies.

e) 1987 190 robberies.

f) 1988 363 robberies.

Between 1985 and 1986, Oregon experienced a 58% increase in bank robberies. The FBI and the United States Attorney's office are of the opinion that virtually all bank robberies in recent years are drug-related.

In terms of raw numbers, during the year 1985, Oregon ranked number four (4) in bank robberies, standing only behind California, New York and Florida. In 1986 and again in 1988, the ranking increased to third, with only California and Florida exceeding our statistics for this crime. As of the date of this memorandum, the FBI estimates 1989 will again be another record year for bank robberies.

1/ Furnished by former Special Agent Elvin Barton, FBI, Portland,

2/ Remaining statistics were furnished by Supervisory Special Agent Ken Lovin, FBI, Portland.

II.

Crime, Jail Space and Related Matter in Multnomah County[3/]

a) Jail Capacity:

1971 - Estimated between 850 -1069;
1988 - With October 31, 1988, opening of new Inverness Jail, capacity increased from 862 to 1,042.

b) Reported Crime:

1976 - 86,839)
1987 - 119,996) a 38% increase.
(1987 most recent year available)

c) Population:

1976 - 553,000)
1988 - 570,500) a 3% increase.

d) Arrests:

1976 - 22,416)
1987 - 30,749) a 37% increase.
(1987 most recent year available)

e) Felony Cases Issued by District Attorney:

1985 - 4,808 (503 were drug cases)
1986 - 6,672 (1,362 were drug cases)
1987 - 7,142 (1,311 were drug cases)
1988 - 8,564 (2,561 were drug cases)

From 1985 through 1988 there has been a 78% increase in felony issuing. There has also been a 409% increase in issuing of drug cases.

f) Felony Dispositions:

1981 - 3,781)
1988 - 5,894) a 56% increase.

3/ Furnished by Multnomah County District Attorney Michael D. Schrunk. This county is Oregon's most populous, having 21% of the state's population and 41% of the crimes against persons (murder, nonnegligent manslaughter, robbery, forcible rape, other sex crimes, kidnapping, extortion, purse snatching, aggravated assault, simple assault).

III.

Burglary [4/]

In 1986 Oregon ranked third in the nation per capita for this offense. Only Texas and Florida experienced higher rates. Statewide, burglaries in 1986 increased 4.3% in Oregon. This figure was consistent with the national rate, which increased 4.5%.

In 1987 Oregon's ranking fell to number seven (7) in the nation for this offense. The following jurisdictions experienced higher rates: Florida, Texas, Washington, District of Columbia, New Mexico and Oklahoma. Statewide burglaries decreased by 9.4%, while the national rate showed a 1.1% decrease.

Oregon's national ranking during the past ten (10) years for this offense is set forth below.

National Ranking (including District of Columbia):

1978	10
1979	10
1980	10
1981	8
1982	8
1983	4
1984	2
1985	2
1986	3
1987	7

While burglary and most other serious offenses showed a decline throughout the state, motor vehicle thefts increased dramatically (up 15.8%, versus a 4.3% increase nationally).

In 1986 Portland had the thirteenth (13th) highest burglary rate in the nation, down from the number three (3) rating the previous year. Although the numerical ranking decreased, the number of burglaries per hundred thousand population actually increased slightly over the previous year (2,596.9 in 1986 compared to 2,551.5 in 1985).

In 1987 Portland's burglary rate fell to twenty-ninth (29th) in the nation. During the year, the number of reported burglaries per hundred thousand population decreased from 2,596.9 in 1986 to 2,266.8 in 1987.

4/ Uniform Crimes Reports for 1986, 1987 (figures are based on offenses per hundred thousand population); Law Enforcement Data System, Salem, Oregon.

IV.

Serious Crimes [5/]

In 1986 Oregon again ranked number five (5) nationally per capita for this category, far exceeding such industrialized states as Ohio and Pennsylvania. Only Texas, Florida, Arizona and the District of Columbia ranked ahead of Oregon in this important area. Overall, crime in Oregon increased 5.2% from the previous year.

In 1987 Oregon ranked number six (6) nationally per capita for this category. Florida, the District of Columbia, Texas, Arizona and Washington ranked ahead of Oregon. Overall, crime in Oregon decreased 1.6% from the previous year.

5/ Uniform Crimes Reports, 1986, 1987.

Serious crime is a composite of eight (8) index crimes: murder and non-negligent manslaughter, forcible rape, robbery, aggravated assault, burglary, larceny/theft, motor vehicle theft and arson. In addition to excluding drug offenses, serious crime does not include federal offenses.

V.

Homicide[6/]

Year	Homicides (Portland)	Homicides (Oregon)	National Ranking (including District of Columbia)
1978	38	120	35
1979	44	109	37
1980	49	130	36
1981	36	115	38
1982	39	136	35
1983	39	111	35
1984	36	130	29
1985	50	122 [7/]	33
1986	50	175	26
1987	70 (40% increase over previous year)	154	27
1988	44 (minus 32%)	140	(not currently available)

The number of homicides in Portland in 1987 represents the highest number since statistics have been maintained. The previous high of fifty-two (52) homicides in 1975 was inflated by thirteen (13) deaths in a hotel arson fire. Homicides are one way, of course, of measuring the drug temperature in a given area.

[6/] Statistics furnished by Chief Richard Walker, Portland Police Bureau, Portland, Oregon; Western States Information Network (WSIN); Law Enforcement Data System, Salem, Oregon.

[7/] In addition to the overall homicide rate, an additional fifty-six (56) deaths in 1985 were attributed to tar heroin. Seventy (70) deaths from this same source were recorded for 1986. While deaths from this drug showed a decline in 1987, indicating both suppliers and users have become acutely aware of the extremely lethal nature of this drug according to the DEA and Portland Police Bureau, overdose deaths from heroin, cocaine and methamphetamine all rose sharply in 1988.

VI.

Oregon's Prison Population (January 1989)[8/]

30,908	Total persons under supervision including custody and temporary leave.[9/]
807	Number on temporary leave.
5,048	Number in custody (does not include persons on temporary leave).
25,053	On probation, parole, or other form of release.

8/ Furnished by Frank Gilbert, Chief United States Probation Officer, Portland, as of February 1, 1989.

9/ Includes 944 persons under supervision in other states under the Interstate Compact.

VII.

Escapes 10/ 11/

Year	Number of Escapes	National Ranking
1986	861	3
1987	1,264 (357 from facilities)	2
1988 (29% increase over 1987)	1,633 (288 from facilities)	2

10/ The Corrections Yearbook (1987), Criminal Justice Institute, South Salem, New York; Mark Nassar, Information Systems, Department of Corrections, State of Oregon.

11/ In the case of temporary leave inmates, an escape is not recorded nor is a warrant issued until the inmate has been absent for more than thirty (30) days.

VIII.

Methamphetamine [12/]

The manufacture and distribution of methamphetamine represents Oregon's most serious drug problem, one which is rapidly escalating.

In 1984, only ten (10) laboratories were seized statewide, representing 4.4% of the national total. By 1988, the number had risen to 203 laboratories, representing 25% of the total seizures nationwide. The following is a breakdown of the number of laboratories seized in Oregon and nationally during the past five (5) years.

Year	Lab Seizures (Oregon)	Lab Seizures (Nationally)
1983	10	119
1984	21	185
1985	49	266
1986	102	412
1987	140	682
1988	203 (includes 5 dump sites)	810

In 1987 Oregon ranked third in the nation in the number of methamphetamine laboratories seized. California ranked first with 42 1/2% of the seizures, followed by Texas with 22 1/2% and Oregon with 13%. The remaining states accounted for the rest of the seizures (22%).

In 1988 Oregon's ranking for laboratory seizures increased to second in the nation, exceeded only by California.[13/]

The spread of laboratories throughout the state also represents a disturbing trend. In 1983, laboratories were found in only seven (7) counties,

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12/ Source: Portland Resident Office, DEA, Portland, Oregon; Western States Information Network (WSIN); National Narcotics Intelligence Consumers Committee (NNICC) (1987).

13/ Source: Portland Resident Office, DEA, Portland, Oregon.

all of which were in populated areas along the I-5 corridor. By 1988, however, twenty-five (25) of Oregon's thirty-six (36) counties were affected, including such rural counties as Malheur, Harney, Crook, Lake, Morrow and Tillamook.

1988 Clandestine Methamphetamine Laboratories

County	Number of Labs Seized
Baker	2
Clackamas	18
Clatsop	1
Columbia	5
Coos	6
Crook	1
Deschutes	9
Douglas	10
Harney	1
Hood River	2
Jackson	5
Josephine	11
Klamath	1
Lake	4
Lane	34
Linn	7
Malheur	4
Marion	6
Morrow	1
Multnomah	62
Polk	3
Sherman	1
Tillamook	4
Umatilla	2
Yamhill	3
Total:	203

Violence associated with the laboratories is also very alarming. Of the 203 seizures in 1988, weapons were recovered from 101 locations. Included were automatic and semiautomatic (assault) weapons. Armed confrontations with law enforcement personnel are not uncommon.

In addition to the danger from firearms, the carcinogenic and highly toxic chemicals associated with the manufacturing process represent extreme health hazards. State and local regulations require all law enforcement personnel to wear protective gear when entering laboratory sites. In addition to the toxicity factor, the chemicals used in the manufacturing process are highly volatile. A number of laboratories have caught fire and exploded.

Of the laboratories seized during 1988, one-fifth have been directly tied to outlaw motorcycle gangs, including the Hells Angels in California. Intelligence information reports the Hells Angels in Oakland have targeted both Oregon and Washington for manufacturing and distribution activities. Alliances between rival gangs have been encountered with one group paying another for chemicals and/or the finished product.

IX.

Domestic Marijuana, Heroin and Cocaine

With the exception of new information concerning distribution of cocaine (noted below), the situation regarding this drug as well as heroin and marijuana is essentially unchanged from 1987.

A.

Domestic Marijuana

An economic study of the state published by the College of Business Administration of the University of Oregon in 1982 cited domestic marijuana as "one of Oregon's most valuable crops," with an estimated cash value of $100-$500,000,000.[14] Without exception, every law enforcement entity acquainted with Oregon's domestic marijuana production agrees it has substantially increased since the study was conducted. Current estimates of the cash value of Oregon's marijuana crop range from $600,000,000 to one billion annually, ranking us only behind California and Hawaii in this area.

As previously indicated, weapons and drugs are closely related, particularly where marijuana cultivation and methamphetamine laboratories are concerned.[15]

During the past four (4) years, large numbers of firearms have been seized from marijuana cultivators:

1985	187 weapons
1986	156 weapons
1987	231 weapons
1988	433 weapons

There were also three (3) armed confrontations between law enforcement officials and cultivators in 1988. Assaults on citizens who accidently encounter grow operations are not uncommon. In several such instances, citizens have been taken prisoner and interrogated by growers. In a 1986 incident in Jackson County, two (2) citizens were shot and left for dead and a third pursued by armed growers.

In addition to the danger from firearms, booby traps are a concern of both law enforcement and private citizens. During the past four (4) years, a total of twenty-six (26) such devices have been recovered from grow operations. A breakdown for each of the past four (4) years is set forth below.

1985	6 booby traps
1986	5 booby traps
1987	9 booby traps
1988	6 booby traps

While the majority of these devices are generally designed or intended to maim (punji stakes, nails, broken glass, animal leg hold traps, fish hooks concealed at eye level), some are intended to cause death (varmint spring guns and similar shotgun shell devices).

B.

Tar Heroin

The introduction of tar heroin in Oregon has seen the virtual elimination of all other forms of this drug. While meaningful statistics are difficult to obtain, the proliferation of tar heroin in the Portland metropolitan area is evidenced by the number of deaths related to tar heroin in Portland during the years 1985 and 1986. See Homicide, Section V, footnote 7, supra.

Tar heroin is almost exclusively the province of Mexican nationals, most of whom are illegal aliens. Using I-5 and I-84 as the main media of transportation, heroin is brought to Oregon, where it is primarily distributed in the Salem and Portland metropolitan communities as well as in the tri-cities area. Importation and distribution are controlled by organizations (families) loosely tied together by blood or marriage. Distribution activities generally involve "safe" houses, frequent changes of address, vehicles registered to persons other than the owner, multiple use of names, cash transactions, cash hoards and firearms. During execution of the January 26, 1988, search warrants for the Valdez organization in Portland, for example, over fifty (50) firearms, including an M-16 and AK 47, in addition to cash and drugs were seized from twelve (12) residences. While the Valdez case involves one of the largest firearms seizures to date in a drug case, firearms continue to be found in a high percentage of cases involving tar heroin, methamphetamine and marijuana cultivation.

C.

Cocaine/Crack[16/]

The proliferation of cocaine in Oregon can best be demonstrated by the fact it continues to be less expensive than methamphetamine.

Distribution of much of the cocaine in Oregon is dominated by three (3) ethnic groups:

14/ Oregon's Economy: 1982 and Beyond, College of Business Administration, University of Oregon, Eugene, March 1982.

15/ The Oregon Strategy Under The Anti-Drug Abuse Act of 1986, Crime Analysis Center, Department of Justice, Salem, Oregon, September 1987; Western State Information Network (WSIN), Salem, Oregon.

16/ Furnished by Portland Resident Office, DEA, Portland, Oregon.

1. Hispanics, primarily from Los Angeles, San Francisco and Marin County, California, who are involved in wholesale distribution to Anglos in Oregon.

2. Blacks in Portland who are supplied by blacks and Hispanics in Los Angeles. This group controls virtually all the crack in Portland. A portion of this group is comprised of members of the Crips street gang who control an undetermined amount of the crack market.

3. Hispanics, primarily Mexican males, who are involved in wholesale distribution to other Hispanics in Oregon. The significance of this facet of the distribution chain lies in the fact that the ethnic commonality of the suppliers and purchasers has resulted in lower prices being available to Hispanic purchasers than are available to the Anglo purchasers referred to in paragraph 1 above. The implication from this dichotomy is that the latter will eventually be priced out of the market.

Investigations during 1988 disclosed a number of white middle class organizations involved in the importation and distribution of large quantities of cocaine in the Oregon area. Rather than representing a recent development, these groups have been in operation for a considerable time. Their discovery is the result of informant information, court-ordered wiretaps, and the use of pen registers and trap and trace procedures.

While most of the crack cocaine problem continues to center around the Portland area, there are substantial indications that this drug will be marketed in other areas in the state, including Salem, Eugene, Newport, Coos Bay and Medford.

X.

Armed Career Criminal Prosecutions

The Armed Career Criminal Act provides a minimum fifteen (15) year sentence without the possibility of probation or parole for persons who have previously been convicted of three (3) or more crimes of violence or serious drug offenses and who ship, transport, receive or possess any firearm which has moved in or affects interstate commerce.

During 1987 eleven (11) persons were convicted under this act, receiving sentences ranging from fifteen (15) to thirty (30) years. In every instance, the case involved drugs or was drug-related. The number of convictions is also significant because it represents the highest number of convictions for 1987 under this statute in any of the ninety-four (94) judicial districts in the country.17/

During 1988 twenty-two (22) persons were charged by way of indictment as armed career criminals. Ten (10) convictions were recorded, with the remaining cases pending trial. The number of convictions placed Oregon third among the federal judicial districts in this category.

17/ Furnished by Special Agent in Charge Jerry Tate, ATF, Portland, Oregon.

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF OREGON

UNITED STATES OF AMERICA, Plaintiff,	)	No. CR 88-162-BU
vs.	)	
LEON AIMS, Defendant.	)	Monday: 11:00 A.M. October 24, 1988 Portland, Oregon

SENTENCING PROCEEDINGS

BEFORE THE HONORABLE JAMES M. BURNS
United States District Judge

APPEARANCES:

For the Government: Barry Sheldahl
Assistant U. S. Attorney

For the Defendant: Priscilla Seaborg
Federal Public Defender

Court Reporter: Robert D. Stimler

THE COURT: Mr. Sheldahl.

MR. SHELDAHL: Good morning. One matter before the court this morning. This is the time set for sentencing in the case of United States v. Leon Aims.

Your Honor, Mr. Aims is before the court this morning with counsel, Ms. Seaborg.

THE COURT: Are you prepared to go ahead, Ms. Seaborg?

MS. SEABORG: Yes. We are, Your Honor.

THE COURT: You were kind enough to send a letter in which I looked at. There are other letters that came in. I don't read any of the letters to suggest that there is any dispute over any of the factual assertions in the presentence report?

MS. SEABORG: That's correct, Your Honor.

THE COURT: What do you have to add?

MS. SEABORG: Briefly, we ask the court to sentence Mr. Aims pursuant to 18 USC 4205(b)(2) so his eligibility for parole can be determined by the parole board. His matrix is set at 36 to 48 months. We think that period of incarceration is definitely long enough for punishment for his crimes.

As you can tell by all of the letters submitted on his behalf, as well as the presentence, he has had a very lengthy alcohol and drug abuse problem.

When he is abstaining, he seems to be doing fine. He wants to pursue a drug treatment program. He has tried numerous times to receive drug counseling.

Also as you can tell from the presentence report, when he started using drugs again he immediately went to his state probation officer and told her. And I think that speaks to his honesty and that he is interested and motivated to work on his drug problem.

We ask that he get a B2 number so he can be eligible for parole after 42 months of incarceration.

I think Mr. Aims would like to say something.

THE COURT: Mr. Aims, you were kind enough to send in a letter that was in addition to the one that Ms. Seaborg sent in. Any additional comments you wish to make?

THE DEFENDANT: Yes. I was as honest as I could be with that letter. The last few years I never had, I have had a problem with drugs all of these years but I never got to doing a crime or anything. I was not doing crime; I worked and supported the stupid habit I had. The last couple of years when I got out and I would get to using drugs I would get so strung out I ended up doing crimes.

I am real nervous and I have a hard time saying anything. All I know is drugs have taken everything

I ever loved.

I have got a beautiful wife in Eugene. We are separated now. She is trying to get sober down in Eugene.

I was trying to do real well last year after I got out on probation and I was honest with Cindy Hanner. I went to her and told her that I had gotten loaded; what do we do now? She put me in a drug treatment. I put myself there in Vancouver. I went through the drug treatment and I stayed clean 90 days. I got loaded again and back to Cindy Hanner. I told her I was having problems. I got loaded again. She violated me and I went to prison.

When I went to prison, the day I went to court for my PC hearing with Ms. Hanner, I was getting loaded in the stupid county jail over here. And my head wasn't straight then. I went down to prison on the PC. I was staying loaded down there. So when I went out on a pass from prison I was strung out on drugs. I mean, I am being honest with you. I was strung out so I did another bank robbery. Now I am standing before you facing bank robbery charges.

When I am in my mind I am a care and loving guy. When I get under the influence of drugs, it's obvious what happens. I need to stay away from drugs

and alcohol.

THE COURT: The presentence report shows that you were before the court, state court, on various charges in 1987, two charges of robbery, unarmed robbery of a Thriftway store and one was a robbery of a tavern and a charge of Criminal Mischief and a charge of Theft. You were placed on probation on all of those counts in July of 1987. And thereafter your probation was revoked for violation of probation conditions. You had a lawyer in that state court matter, didn't you, sir?

THE DEFENDANT: Yes, I did.

THE COURT: And you were arrested in late January as a probation violator? February 22nd you were sentenced to a total of ten years in prison on the robbery charges, correct?

THE DEFENDANT: Yes, I was.

THE COURT: You were received at OSCI on February 22 and that some time early to mid part of April you were on leave for furlough status?

THE DEFENDANT: Yes, I was.

THE COURT: When did you get out of OSCI on leave for furlough status? How long before the April 15th bank robbery?

THE DEFENDANT: I was out -- it was on the

eighth day almost. I did it on my last day of my pass.

THE COURT: So you were released from OSCI on April 7th?

THE DEFENDANT: For a pass.

THE COURT: For a pass?

THE DEFENDANT: Eight day pass.

THE COURT: I just wanted to be sure that a record was made of that because this is a matter which is occasionally of interest to people. With a ten-year sentence you are out after what?

THE DEFENDANT: Twenty-eight days originally. I was in prison for 28 days and they sent me to the release center; two weeks after the release center before they sent me home.

THE COURT: The release center is confinement of some sort or is it?

THE DEFENDANT: It's not really confinement. You can walk away if you want. You go to work every day.

THE COURT: Well, that is even a shorter period of time, I guess. That is either better or worse, depending on one's point of view. Needless to say that is an interesting set of circumstances. A person gets ten years and serves 28 days and then is released. I don't want to be misunderstood. I am not making any comments but I wanted to be sure that the specific

information involved was established adequately.

Mr. Sheldahl, does the government have any position?

MR. SHELDAHL: Yes, Your Honor. For some of the reasons the Court has already referred to, the reader of the presentence report can't help but notice, first of all, a crime was committed while this defendant was on pass. It also reflects that he has had five opportunities of drug treatment, I think, on page 6, so the courts and the system, so-called system, has tried to help him with his drug problem. Interestingly the presentence seems to suggest his parole date from the state system will not be affected by this federal conviction. I assume that is correct and if that is correct, it seems then to the government a substantial sentence is called for in this court.

THE COURT: Well, the usual consequences of a federal sentence is to expedite, as I understand it, they expedite the parole date on the state sentence.

Well, Mr. Aims, I sympathize with your problem but my job is to fashion a sentence which I believe properly reflects the purposes of sentencing which are as follows: We sentence to deter others who might be inclined to commit the kind of crimes that have been committed by the person who is in court for sentencing.

We also sentence to deter the individuals themselves or herself, we sentence to punish, that is to reflect community disapproval of criminal behavior.

We also sentence to protect the public, folks like bank tellers are entitled to some protection.

We sentence to rehabilitate.

We know that sometimes those purposes conflict with one another and it becomes the job of the sentencing judge to determine which purpose or purposes is or are the predominant ones and then to pronounce a sentence which achieves so far as the courts can fulfillment of those purposes. We do all of that in a setting in which we, also, attempt to be sure that sentences in one type of case where the crime is pretty much the same and a person who commits it is pretty much the same as another case so as to not achieve a radically different sentence unless there is a substantial distinction between the types of crimes and the circumstances of the offender or both.

In this case, as is true of most bank robbery cases, the predominant purposes to be served are deterrents and punishment. The sentence which I believe I should impose is one which I think achieves those as well as circumstances allow ---- defendant is committed to the custody of the Attorney General

for confinement for a period of 12 years. He shall be required to serve one-third of that sentence before becoming eligible for parole pursuant to 18 USC 4205A. No restitution is being ordered in this matter as the defendant neither has nor seems likely to achieve financial resources nor appreciable earning ability.

The defendant is required, however, to pay a $50 fee assessment to the United States Attorney pursuant to the statute. That is the order of the court. Thank you.

- - - - -

Certificate 10

I, ROBERT D. STIMLER, do hereby certify that I am an Official Court Reporter; and that at the time and place heretofore mentioned in the caption of the above-entitled matter, I reported in Stenotypy all oral proceedings had; that thereafter I caused a transcription of such proceedings to be reduced to writing under my supervision and that the foregoing is a true and correct transcript of such oral proceedings and the whole thereof.

DATED this 30th day of November, 1988.

Robert D. Stimler
Robert D. Stimler
Official Court Reporter

OPENING STATEMENT

OF

DANNY O. COULSON

SPECIAL AGENT IN CHARGE

PORTLAND FIELD OFFICE

FEDERAL BUREAU OF INVESTIGATION

BEFORE AN OPEN SESSION OF

THE SUBCOMMITTEE ON

REGULATION AND BUSINESS OPPORTUNITIES

COMMITTEE ON SMALL BUSINESS

UNITED STATES HOUSE OF REPRESENTATIVES

PORTLAND, OREGON

MARCH 30, 1989

Mr. Chairman, my name is Danny O. Coulson. I am the Special Agent in Charge of the Portland Field Office of the FBI.

Thank you for this opportunity to appear before you today to discuss the very serious problem that exists in the State of Oregon with regard to bank robberies. I believe that your hearings and investigation will determine that Oregon's bank robbery rate is a barometer of general criminal activity that exists in this state. I am prepared to provide you with a picture of Oregon's typical bank robber. I will also discuss with you the relationship between the bank robbery problem and the factors that contribute to the motivation for and lack of deterrence to this serious criminal offense.

Bank robbery is merely a symptom of the serious crime problem currently being faced by the State of Oregon. Most of the individuals involved in these robberies act alone, or with another individual, possibly a getaway driver. These individuals commit bank robberies, as well as robberies of commercial establishments such as convenience stores and liquor stores. Some are also involved in property crimes. We have had very limited experience with bank robbery gangs in this state.

The typical Oregon bank robber is a white male, approximately 25-35 years of age, who has at least one previous felony conviction. Most of the individuals arrested in Oregon on bank robbery charges have a lengthy history of prior arrests and convictions with limited incarcerations. Over 95 percent of those individuals arrested are known drug abusers. Our

experiences have shown us that the overwhelming motivation factor for bank robbers is to secure adequate financing to support their drug habits. I have personally seen cases in Oregon in which bank robbers went directly from a crime scene to their drug dealer and purchased the drugs needed to sustain their addiction.

Generally speaking, most bank robberies are unsophisticated, unprofessional, and entail only limited planning. Seventy percent of our bank robbers use no disguise. Most display no long-range scheme to avoid apprehension or plans to spend the money without being noticed. It is, also, our experience that the vast majority of individuals involved in bank robberies will continue to rob banks until identified and apprehended.

The typical modus operandi used in bank robberies in Oregon involves the utilization of a demand note which is presented to one teller. In the vast majority of robberies the use of a weapon is threatened, either verbally or through a demand note. Less than fifty percent of the individuals involved in bank robberies in the State of Oregon are actually armed with a weapon at the time of the commission of the crime.

The Portland office over the past two years has noticed an increase in the utilization of weapons during the commission of bank robberies. When weapons are displayed, the robbers are obtaining more money, and it is believed that there will be a trend in the future to make greater use of weapons. It is also logical to assume that as bank robbers become more

sophisticated they will begin to employ the technique of a general bank takeover which as a matter of course requires the display and utilization of firearms.

As you know, Oregon experienced 363 bank robberies in Calendar Year 1988, the highest incidence of bank robbery in the country. I believe there are three factors that contribute to this statistic and the serious bank robbery problem Oregon faces today. First, the drug factor. The overwhelming majority of Oregon's bank robberies were committed by drug abusers to sustain their drug dependency. The proceeds of these robberies went, of course, to support drug addictions. The drug problem is a significant factor in these robberies and would appear to be a thread which ties the bank robbery epidemic to other criminal activity in the state. The February 15, 1989, edition of a private publication entitled the "Narcotics Control Digest" reported that 96 percent of males arrested in Portland tested positive for drugs.

The second factor is that Oregon banks are an excellent target of criminal opportunity. Bank robbery is an easy way to obtain fast money, and in most cases, the dollar amount taken during these robberies is higher than the amount taken at the local gas station or convenience store. Some of the banking institutions are considering the installation of bandit barriers. These barriers are generally composed of lexan glass and offer protection to bank employees.

Finally, one of the most serious contributing factors to the bank robbery problem is the absence of adequate jail space in the Oregon penal system. By one report, individuals sentenced to a ten-year or less term in the Oregon State Penitentiary for non-violent offenses serve an average of 32 days of incarceration. Many individuals arrested during the commission of burglaries are given citations and are not further detained. The Portland Police Bureau has reported that sixty percent of the individuals who are processed through the Justice Center facility in Portland, Oregon, have been arrested during the previous year and booked in the same facility.

The Oregon state penal system has not kept up with the very serious crime problem that affects the citizens of this state. It has been my experience, and the experiences of my predecessors, that this state has excellent law enforcement officers who are competent, dedicated, well trained, and energetic. Our state prosecutors are willing and capable of maintaining successful prosecutions, and the judiciary appears to be willing to sentence criminals to jail terms. Oregon's problem is inadequate jail space in which to put the criminals. Approximately 85 percent of the individuals we arrest have previous arrests on state charges. Revolving door justice exacerbates the problem. It can become an exercise in futility for law enforcement agencies to make arrests when the state penal system cannot incarcerate them. Dangerous felons are not deterred from their criminal pursuits if the state criminal

justice system cannot punish them. It is my opinion the bank robbery problem and Oregon's rate of recidivism are products of this lax penal system.

I stated in my opening remarks that the bank robbery problem is merely a barometer of the serious crime problem that exists in this state. The FBI national crime statistics for 1987 show that of metropolitan areas with over one million population, the Portland metropolitan area ranked 41st out of 43 in total population, but ranks as follows in the crime rates:

1. Crime Index Overall - 5th
2. Robbery - 10th
3. Larceny - 6th
4. Violent Crime - 10th
5. Burglary - 6th
6. Personal Crimes - 5th
7. Rape - 5th
8. Motor Vehicle Theft - 18th
9. Murder - 26th

The FBI in Oregon and nationally has a strong commitment to solving the bank robbery problem. At one time bank robbery was the number one priority of the Portland Office of the FBI. Partly because we have determined that the causal factor of virtually all of our bank robberies is the maintenance of a drug dependency, we have established our Drug Program as the number one priority. Bank robberies are now number two priority as a part of the overall Violent Crimes Program.

We are working very closely with the banking community in this state to develop new approaches to preventing bank robberies. It is commendable to note that banking institutions are currently considering the utilization of the previously discussed bandit barriers and tracking devices. Both protective and deterrent initiatives would aid in the prevention and solution of bank robberies in this state. Tracking devices could be utilized with bait money to permit electronic monitoring of stolen proceeds. Long-term solution to the bank robbery problem specifically, and the crime problem in general, however, lies with addressing drug trafficking and inadequate prisons.

The Portland Division solves approximately 75 percent of all bank robberies committed in this district. This figure fluctuates as robberies are committed and solved, but consistently stays in the 75 percent range. This solution rate is not accomplished solely by the efforts of FBI Agents. State and local authorities work very closely with the FBI, and oftentimes are responsible for bank robbery solutions. The various law enforcement agencies in this state have an excellent history of working very harmoniously, and the bank robbery program is no exception. We regularly exchange information, photographs of suspects and source information, and work jointly in the solution of these cases.

The following table shows the number of bank robberies, solution rate, Agents assigned to the field division, and Agents working bank robberies for 1986, 1987, and 1988 for the Portland

office, nationally, as well as a random sample of other field offices.

FIELD OFFICE	YEAR	NUMBER OF BANK ROBBERIES	SOLUTION RATE	AGENTS IN DIVISION	AGENTS WORKING BANK ROBBERIES
PORTLAND	1986	332	71%	56	8.57
		Metro - 290			(6.86)
		Other Oregon Areas - 42			(1.71)
	1987	190	78%	59	9.20
		Metro - 161			(7.68)
		Other Oregon Areas - 29			(1.52)
	1988	363	74%	66	8.41
		Metro - 340			(7.15)
		Other Oregon Areas - 23			(1.26)
NATIONALLY	1986	5675	69%	7215	284
	1987	6126	67%	7347	292
	1988	6259	49%	7673	260
DENVER	1986	53	38%	90	4
	1987	84	54%	95	4
	1988	69	54%	96	4

FIELD OFFICE	YEAR	NUMBER OF BANK ROBBERIES	SOLUTION RATE	AGENTS IN DIVISION	AGENTS WORKING BANK ROBBERIES
DETROIT	1986	144	65%	238	10-12
	1987	87	57%	234	10-12
	1988	205	60%	232	10-12
LOS ANGELES	1986	1323	85%	450	20-24
	1987	1305	84%	455	20-24
	1988	1351	80%	464	11
SACRAMENTO	1986	209	85%	75	0 FULL TIME
	1987	161	81%	75	0 FULL TIME
	1988	212	71%	78	4 PART TIME
SAN DIEGO	1986	155	79%	139	4
	1987	221	81%	139	4
	1988	249	65%	139	4
SAN FRANCISCO	1986	426	77%	340	18-20
	1987	406	79%	340	18-20
	1988	330	61%	340	22
SEATTLE	1986	163	77%	71	2
	1987	184	91%	71	2
	1988	215	86%	69	2

FIELD OFFICE	YEAR	NUMBER OF BANK ROBBERIES	SOLUTION RATE	AGENTS IN DIVISION	AGENTS WORKING BANK ROBBERIES
PHOENIX	1986	176	81%	108	4-5
	1987	158	82%	108	4-5
	1988	148	57%	115	5-7

The following table shows the total number of hours spent by FBI Agents on bank robbery investigations, as well as the cost to the FBI.

PORTLAND DIVISION

YEAR	BANK ROBBERIES	WORKHOURS	COST
1986	332	20,472	$ 343,167
1987	190	21,923	$ 397,487
1988	363	19,974	$ 388,627

FBI NATIONALLY

YEAR	BANK ROBBERIES	WORKHOURS	COST
1986	5675	678,480	$12,488,688
1987	6126	696,677	$12,884,724
1988	6259	619,806	$11,849,45

The average dollar loss per bank robbery in Oregon is a little over $2,000, which is below the national average. An exact figure for the average dollar loss per bank robbery to the community is unavailable. However, it would be extensive if FBI employee salaries for investigation and trial preparation, bank employee time, police officers' salaries and prosecutors' salaries are added.

In conclusion, I would state to you that the bank robbery problem for this state is very complex. I do not believe we will see a significant decrease in the bank robbery problem or in the general crime problem in the State of Oregon until the issues of drug abuse, jail space, and related matters are adequate addressed.

This concludes my prepared remarks. I will be happy to respond to any questions which you may have.

OPENING STATEMENT

OF

ROBERT D. BENSON

ROBBERY DETECTIVE

PORTLAND POLICE BUREAU

BEFORE AN OPEN SESSION OF

THE SUBCOMMITTEE OF

REGULATION AND BUSINESS OPPORTUNITIES

COMMITTEE ON SMALL BUSINESS

UNITED STATES HOUSE OF REPRESENTATIVES

PORTLAND, OREGON

MARCH 30, 1989

Mr. Chairman, my name is Robert D. Benson. I am a Portland Police Bureau Detective, assigned to the Robbery Detail. I have been so employed for the past 27 years, with the last 18 years as a Detective. During the last 6 years, a significant portion of my effort has involved bank robbery investigations and associated liaison and coordination with other federal and local police agencies.

I find the label of "Bank Robbery Capitol of the United States" as applied to Portland to be very embarrassing, as a member of this community and frustrating as a member of law enforcement.

I feel the assets, both manpower and equipment available are being effectively employed to their fullest by local and federal law enforcement agencies.

The effectiveness of area law enforcement, as applied to bank robberies, is borne out by the fact that we had a solution rate for 1988 of 71% compared to a national bank robbery solution rate of 69%.

The area drug problem has reached epidemic proportions. During the same period of time the bank robbery rate has increased significantly, both federal and local agencies give drug enforcement the Priority One status, as it deserves.

In my experience, the average bank robber has developed an ever increasing drug habit which initially was satisfied by employment income, robbery or thefts from small businesses or homes. When the suspects habit reaches the $100 to

$400 a day level, the only source for that kind of money is the banks, savings and loans, and credit unions. In many cases, the bank robber is also supplying narcotics to one or two of his friends. This need for large sums of cash very often leads to a series of bank robberies that only stop when he/she is arrested and jailed. These series of bank robberies can range from 3 to upwards of 15 before the investigation identifies the suspect and we arrest and jail him/her.

There are several measures being employed by the banking community, which aid in the prevention of robbery or the subsequent investigation and arrest effort. Namely, cameras are used in an attempt to get photographs of the suspect. Some banks use dye packs to assist in the identification of suspects and recovery of monies lost. Some institutions employ unarmed uniform security guards.

These efforts, combined with effective law enforcement, have in the past stemmed the tide of the now rising bank robbery rate. Experience indicates this present effort is inadequate.

With our given circumstances, I recently contacted two nearby cities with populations comparable to Portland's. I found these two cities, Seattle and Las Vegas, have bank robbery rates significantly less than ours.

First, Seattle's bank robbery rate is about one-half of ours, even though they are slightly larger in population. The only major differences I could find is that the Seattle Police Department operates with 2.4 sworn officers per 1,000 of population. Portland Police Bureau functions with 1.6 to 1.7 per 1,000. Note: The national average is 2.0 worn officers per 1,000.

Second, the banking community in Seattle makes extensive use of armed moonlighting area police officers as guards in banks with high robbery experience. Most of the other banks have unarmed uniform security guards.

Next, I contacted the Las Vegas Police Department and learned their bank robbery rate was a fraction of Portland's, even with also a slightly larger population. This comparison follows;

	Las Vegas	Portland
1983	111	127
1985	60	129
1986	47	237
1987	42	109
1988	34	

The primary reason for Las Vegas' dramatic decline in bank robberies and 90% solve rate is due to the area financial institutions leasing of a state-of-the-art money tracking system. They report that 80% of the bank robberies that do occur, that the suspect is captured with the money within 12 minutes of leaving the bank. This system is also employed by banks in Sacramento, San Francisco, Anchorage, and other cities with similar dramatic results.

In closing, Congressman Wyden, with the given budgetary constraints, both locally and federally, the law enforcement agencies apparently will not be able to dramatically affect the growing bank robbery rate.

On the other hand, the financial institutions, if they can be convinced to shoulder a greater share of this burden, can, with probably fewer dollars than

they now expend for guards, dye packs, barriers, etc., employ a service such as the one in Las Vegas, Sacramento, San Francisco, and other cities to greatly reduce our problem.

This concludes my prepared remarks. I will be happy to respond to any questions you may have.

0330.4.1
(C CORR 6)

March 28, 1989

Head Office
Benj. Franklin Financial Center
501 S.E. Hawthorne Boulevard
Portland, Oregon 97214-3598

The Honorable Ron Wyden
House of Representatives
500 Multnomah Blvd. Suite 250
Portland, OR 97232

Dear Congressman Wyden:

Thank you for the opportunity of speaking at the Subcommittee on Regulation and Business Opportunities' field hearing in Portland on March 30, 1989. As a part of this hearing, the following information is in response to your letter dated March 17, 1989:

1. What is the primary reason for the large number of bank robberies in Oregon?

   There's a general understanding and impression that Oregon has an overabundance of criminals attracted here for a variety of reasons--perhaps the lack of jail space, possibly lenient sentencing, and a resistance by some prosecutors to try cases that are worthy of prosecution. In addition to these, it is generally recognized that Oregon, and specifically the Portland metro area, experiences a high incident rate of drug abuse and drug trafficking. Law enforcement authorities have taken the position that bank robbery is a "spin off" of the severe drug problem, and that bank robberies will not diminish until the drug problem lessens dramatically.

2. Are these bank robberies tied to other crimes?

   I'm not privy to investigative information directly tying bank robbers to other crimes. However, as previously indicated, the crime of drug usage has been directly tied to bank robbery.

3. Do more bank robberies occur in the Portland metropolitan area than in other Oregon locations?

   According to authorities, approximately 80-85% of all bank robberies in Oregon occur in the Portland metro area.

4. What areas of the city experience the most bank robberies?

   Again, according to authorities, bank robberies occur predominately in the area bounded by the Willamette River and SE 77th, and from NE Broadway to the Oak Grove area in Clackamas County.

5. In general, what impact does the bank robbery rate have on the Oregon business community?

FSLG

The financial industry continues to be highly frustrated by the number of bank robberies occurring at their branch locations. It appears as though the FBI apprehends the active bank robbers, and shortly thereafter, a new crop of robbers appear on the scene. The continuing episode of robberies cannot be considered as "a part of doing business" when it occupies a high level of concern in the banking community.

6. What is the average dollar loss experienced by The Benj. Franklin Savings and Loan per robbery?

The average robbery at The Benj. Franklin Savings and Loan is $1,550.00.

7. What other costs are there associated with bank robberies, such as increased security measures, employee turnover, and stress claims, etc.?

Annually, Oregon savings and loans, and specifically The Benj. Franklin, spend hundreds of thousands of dollars on security measures and are currently contemplating additional costly countermeasures to the problem of bank robbery. The Benj. Franklin does not maintain records specifically breaking down the reasons for employee turnover. These are only recorded in broad general categories. Accordingly, the association's employee assistance program records their employee contacts in the same manner.

8. What sort of training do bank employees receive to help them cope with robbery situations?

All branch level employees receive group training sessions annually, in addition to quarterly printed training material specifically addressing the issue of bank robbery. Also, all new teller training classes receive the same group-type training. We have recently implemented a program whereby a professional counselor responds to each robbery location to conduct post-robbery-trauma training sessions.

9. What is the role of state and local law enforcement in the investigation and adjudication of these crimes?

As you are aware, the Federal Bureau of Investigation is responsible for the primary investigation of bank robberies. They are, and should be, supported by local law enforcement in these matters.

10. Are resources adequate to deal with the problem?

The Portland FBI office does an admirable job in arresting bank robbers; however, there is no end to the supply of robbers, since virtually every robber is a drug abuser. As stated previously, bank robbers will continue to proliferate as long as the drug problem continues and jail space is inadequate for drug offenders.
It should also be noted that the FBI has six agents assigned to drug enforcement. It is my understanding that the Drug Enforcement Administration is also greatly understaffed and cannot meet investigative demands.

11. Is there an appropriate role for the small business community, either in prevention or adjudication of bank robberies?

The role that the business community can take is to actively support the state measures to counter drug activity; enlarge the prison system; to become fully informed about the crime problem in Oregon and help educate others on these issues.

12. What are the security efforts of the banking industry currently underway?

As stated before, the banking industry is currently spending considerable funds and anticipating additional expenses to address the problem of bank robbery. It might be safely said, that the financial industry expends more funds to address the problem of robbery in our society than any other industry. It is a consensus that the actual robbery loss is not the reason for taking these measures, but, the protection of our employees and customers while inside our branches to conduct business.

I trust that this information will assist you and your subcommittee in addressing the problem of bank robberies in Oregon.

Please do not hesitate to contact me for further information.

Best personal regards,

Ronald Schanaker
Director of Corporate Security
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SUBCOMMITTEE ON REGULATION AND BUSINESS OPPORTUNITIES

DOUGLAS O. KIDDER
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UNITED STATES NATIONAL BANK OF OREGON

(A) What is the primary reason for the large number of bank robberies in Oregon? Are these bank robberies tied to other crimes? Do more bank robberies occur in the Portland Metropolitan area than in other Oregon locations? What areas of the city experience the most bank robberies?

RESPONSE:

U. S. Bank started experiencing an increase in its bank robbery rate in 1977. The following are robberies U. S. Bank has experienced since 1975:

1975 - 10	1982 - 41
1976 - 10	1983 - 44
1977 - 22	1984 - 41
1978 - 27	1985 - 55
1979 - 29	1986 - 61
1980 - 35	1987 - 53
1981 - 25	1988 - 77

I feel that the primary reason for this unacceptable robbery rate is drugs. The vast majority committing these robberies are substance abusers. They are using financial institutions to finance their drug habits.

It is my opinion that the majority of persons committing bank robberies have "graduated" to this crime from "lesser" crimes. During the commission of these "lesser" crimes they have been arrested and served little, if any, prison time. These people should have been stopped long ago at the local level.

Over the past five years U. S. Bank has experienced 92% of its robberies in the Portland Metropolitan area, with southeast Portland being the hardest hit.

(B) In general, what impact does the bank robbery rate have on the Oregon business community? What is the average dollar loss experienced by U. S. Bank of Oregon per robbery? What other costs are there associated with bank robberies, such as increased security measures, employee turnover and stress claims, etc.? What sort of training do bank employees receive to help them cope with robbery situations?

RESPONSE: (B)

The unacceptable bank robbery rate in Oregon creates fear in both our employees and customers. This has been especially true lately with the trend of potentially violent robberies. We lose approximately $1,500 per teller during robberies. U. S. Bank loses much less in bank robberies than it does on external fraud.

U. S. Bank spends a significant amount of money on security measures in high risk branches. These measures include security guards, dye/tear gas packs, reward program, alarms, hard copy cameras, and closed curcuit television systems. We are currently installing bullet-resistant glass around teller row in high risk branches. We do experience a higher turnover rate in branches that have had significant robbery problems. We have had two robbery related stress claims.

U. S. Bank's robbery training program consists of quarterly training that each branch conducts with all staff. This training is documented and the documentation is forwarded to the Security Department. The Security Department also conducts individual branch training sessions. This consists of a slide presentation and question/answer period. We provide this individual training to approximately 75 branches per year. After robberies are committed our Human Resources area assists the branch if psychological counseling is required.

(C) What is the role of state and local law enforcement in the investigation and adjudication of these crimes? Are resources adequate to deal with the problem? Is there an appropriate role for the small business community either in prevention or adjudication of bank robberies? What are the security efforts of the banking industry currently underway?

RESPONSE:

The investigation and prosecution of bank robbers is done at the federal level in the majority of robberies. As far as I know very little is done at the local and state level. I feel strongly that we need tougher enforcement to prevent these individuals from graduating to bank robbery. The FBI is currently fighting an uphill battle in that they arrest these bank robbers and the "second string" moves up. This cycle needs to be broken. We need every available resource to fight this criminal activity. Businesses throughout the state need to work closely with all levels of government to make progress in stopping crime.

Over the years we have looked at and evaluated every type of device to stop bank robberies. As mentioned before, U. S. Bank is in the process of installing bullet-resistant glass to stop these robberies. I never thought it would come to this, but it is a necessary step to stop robberies.

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March 15, 1989

Congressman Ron Wyden
Attn: Alicia Knight
2452 Rayburn Building
Washington, D.C. 20515

Dear Congressman Wyden:

In 1976, First Interstate Bank (then First National Bank) and the F.B.I. agreed to establish a reward program for the purpose of recognizing those citizens who came forward with information about the identity of a bank robber. Since then, the Financial Institutions Security Task Force has become involved in presenting training for bank employees, establishing of a training library, reward posters, legislative involvement, and bank-related security issues. The membership includes representatives from the major banks, savings and loans, and credit unions in Oregon.

Robbery prevention is in a state of contradiction with law enforcement, at least in one particular sense. At the insistence of law enforcement, many communities have enacted ordinances regarding false alarms. I can appreciate the need to reduce the false alarm problem, but in reducing this problem, slower reporting of an alarm to the police occurs. The police are displeased because of the slow reporting time, the banks are displeased because they do not receive a quick response, and the robber, in having a better chance of making good his escape, is the winner.

Banks can armorplate their offices, but should that be necessary? Banks have done more than any other industry to protect themselves from criminal attack by using silent alarm devices, cameras, guards, dye pacs, tracking systems and bullet-resistant material around tellers. But robberies continue at an alarming pace. Law enforcement officers say that it is easy to rob a bank, and I don't disagree. But because the robber says it is easy, we should not have to bulletproof our place of business. I think the bank robbery problem goes much deeper than simply "banks are easy". If banks become bulletproof, what part of society will become the next target? Let's get to the root of the problem, and not continue to use bandaids as the wounds occur.

If society and the criminal justice system are unable to solve the problem, then maybe banks will have to invest in more elaborate protection systems. We (banks) can install electronic pass systems that would allow only the customer to enter the bank. Or, perhaps,

we could provide every customer with an electronic transaction device that enables them to conduct their banking from their home or office and they would never have to set foot in a bank. Making computers to handle these transactions then become the solution. But we shouldn't have to take such drastic steps to protect our business, employees and customers from the robber. On the other hand, if we no longer have banks and everything is done by computer, we do not have the risk of the typical bank robbery.

The state of Oregon needs to be a leader in streamlining the criminal justice system. A computer network that tracks the county and state boundaries would be a real asset. Presently, certain criminal activities such as white collar crime fails to win the support of the local police if the crime is committed in one county, the perpetrator lives in another county, and the victim lives in a third county. This is where the state police can assume jurisdiction because they are unconcerned with those magical lines, for the most part, and banks sometimes request they do just that.

Better identification of suspect information is another possibility. First Interstate Bank has volunteered to mail bank robbery suspect photos to 200 law enforcement agencies in Oregon and Southwest Washington. The intent is to provide more police with suspect information which may result in arrest. Although the bank has volunteered to mail these photos, it is not our responsibility to do what law enforcement should be doing. But we are trying to help where we can.

Perhaps the state could perform the role of a clearinghouse by collecting bank robbery information and disseminating that information to all law enforcement agencies. Incidentally, although we supply almost 150 photos to the Portland Police Department, the patrol (street) officers tell me they never see those photos. I'm sure we all realize the street officer is in a good position to encounter a suspect or recognize him/her from routine patrol activities. But the distribution of photos within the police department is an internal problem.

Jails is an issue long discussed in Oregon. If the escalating crime problem is going to be checked, additional bed space is a must. We hear the governor's office frequently address this issue, and I hope something positive will occur soon, as it is believed that additional bed space at the state level may interrupt a criminal's behavior prior to reaching the bank robbery stage.

For solutions to our problem, I offer the following:

1. Attack the drug problem with more law enforcement resources including money, surveillance equipment, communications equipment, and manpower. Monies for these resources should not

come from the already strapped police budget, but from state or federal funds.

2. Unclog the courts to speed up the trial process by employing more prosecutors and judges.

3. Build more jails to house the criminal.

4. Make the sentences stiff and eliminate the parole board's option of reducing those sentences.

5. Increase the number of F.B.I. agents assigned to the Portland office, with a corresponding increase of agents assigned to bank robbery.

6. Establish a better intra-agency communications network on all criminal information.

First Interstate Bank of Oregon and U.S. National Bank will soon be experimenting with an updated tracking device that we hope will aid law enforcement in reducing and/or solving bank robberies. Our two institutions are committed to do what is necessary to help reduce the concern of robberies and maybe, just maybe, robberies will take a downturn for us. However, what about the smaller institutions that do not have the resources to commit to such a program? Who is to protect them?

I would be pleased to clarify any of the foregoing remarks or answer any questions you may have.

Sincerely,

George Baucom

George Baucom,
Chairman
Financial Institutions Security Task Force

GB:skb

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